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ABSTRACT

This book identifies factors, structures, and procedures contributing to effective statewide coordination and governance of public colleges and universities. The heart of the book consists of descriptions of representative structures in 4 states, where interviews were conducted with 114 individuals--legislators, gubernatorial staff, system heads, coordinating board chief executives and senior staff members, governing board and coordinating board members, public college and university presidents, faculty members, news media representatives and business executives. Part I of the book offers an overview of statewide governance issues including how coordination and governance differ, a summary of the rationales offered for the trend toward centralization, a discussion of the two major types of systems, an investigation of the issues of institutional autonomy, and a report on the college and university presidency in the various structures under review. Part II offers descriptions of representative structures, in the four states visited, namely Ohio, Tennessee, Maine, and Pennsylvania, with analysis of what makes them effective in the eyes of their numerous constituents. Part III examines state perspectives on public higher education coordinating and governance structures, especially issues of quality and accountability. Part IV concludes with observations and recommendations. Appendixes contain information in 50 state structures, a list of those interviewed for the study, and 39 references. (JB)

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Shared Visions of Public Higher Education Governance: Structures and Leadership Styles that Work

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Foreword

The American Association of State Colleges and Universities, with financial assistance from the American Council on Education, has studied selected higher education governance structures that oversee significant portions of public higher education in their states. This report focuses on both organizational structure and leadership and reports the judgments of the authors about some of the conditions necessary for them to be effective. I believe it makes a significant contribution to the body of knowledge on an important topic in American higher education.

I have served as a university president in two quite different settings. One was centralized with one board for several institutions. The other was decentralized with a separate board for each institution and no central governance mechanism. The experience has made me realize the importance of a consistent voice, coordinated efforts, effective governance and ongoing communication with the state legislature and governor's office, as well as the value of institutional autonomy and presidential authority to manage the institution's resources and implement its mission and strategic plans.

The ultimate gauge of any higher education governance structure is the extent to which it provides access to high-quality education for the state's citizens. Structures can either be a catalyst or a hindrance to the delivery of educational services. This book identifies characteristics of effective governance that can be applicable to the practices of other states whose governance organizations may be undergoing scrutiny.

However, governance structure alone does not determine success or failure. Of equal or greater importance is the performance of board members and education leaders. This book comments on leadership qualities, giving particular attention to the central role of the college and university president. The observations suggest that a *shared vision*, among elected and appointed state officials, board members, presidents, system heads, coordinating board executives, and others, is crucial to the success of both structure and leadership.

The problems facing higher education and the increased expectations of our colleges and universities underscore the importance of

effective boards and institutional leadership. There is no one perfect structure which is best for every state; each of the representative structures discussed in this book can offer an environment conducive to leadership and institutional autonomy of benefit to students, faculty members, and other citizens.

New and strengthened relationships, based on open communication, opportunities for responsible leadership, and mutual respect between state officials and educators are imperative if public higher education is to succeed. Whether governance structures have several colleges and universities under a single governing board, or free-standing institutions with individual boards, they are the central component and formal expression of that ever-evolving partnership between public higher education and state government, and their ultimate goal must be to foster quality and responsible leadership by board members and educators.

Whether the reader is a passionate participant or dispassionate observer, I hope that you will find that the book probes an increasingly important topic, reveals what makes higher education leaders effective, and promotes understanding of the complex governance structures prevalent in American higher education.

James B. Appleberry
President
American Association of State
Colleges and Universities

Acknowledgments

This study is dedicated to all who are, in turn, dedicated to supporting effective public higher education and encouraging it to thrive under the best possible governance structure.

AASCU and the authors wish to give special thanks to Chancellor James McCormick of the Pennsylvania State System of Higher Education, Chancellor Robert Woodbury of the University of Maine System, Executive Director Arliss Roaden of the Tennessee Higher Education Commission, Walter Lambert of the University of Tennessee, Mary Noonan of the Ohio InterUniversity Council, and Chancellor Elaine Hairston and Vice Chancellor William Napier of the Ohio Board of Regents.

We also wish to express special thanks to Aims McGuinness, Jr., of the Education Commission of the States for valuable comments and suggestions.

This report was made possible through financial support from the American Council on Education. The American Association of State Colleges and Universities and the authors appreciate, in particular, the confidence and support of ACE President Robert Atwell. Discussions on statewide governance were held in the fall of 1990 by Robert Atwell and Allan Ostar, Edward Elmendorf, and Richard Novak of AASCU, when it was agreed that AASCU could pull together the expertise to conduct such a project.

We also want to give special thanks to Gay Clyburn and Trudy James of AASCU for their much appreciated assistance in the production of this book.

About the Authors

Richard Novak directed AASCU's state relations program from 1984-92, including the Center for State Higher Education Policy and Finance, from 1989-92. He has extensive experience working with state government officials, public higher education leaders in the states, and national and state organizations concerned with public policy and higher education. In the division of labor that always characterizes joint authorship, he guided the overall development and organization of this book from its earliest stages to its completion. He visited all four states and prepared major portions of the materials on Ohio, Maine, and Pennsylvania. He is now the director of public sector programs at the Association of Governing Boards of Colleges and Universities.

Edgar Schick has drawn on his experiences in several systems and in the National Association of System Heads (NASH), as a college president in Maine, as a system head and system vice chancellor in Maryland, as a faculty member in the humanities, and as a campus administrator within systems and under coordinating boards in Illinois and New York. In 1991 he proposed to AASCU a study of what can make systems function more effectively, and his ideas and conceptual framework were modified to fit into Richard Novak's plan. He visited Tennessee and Pennsylvania, drafted major portions of those reports, made revisions (based on his own experience) in the materials on Maine, and drafted sections of parts I, III, and IV.

James A. ("*Dolph*") *Norton* has brought to this study wisdom and experience gained as chancellor of the Ohio Board of Regents, as a consultant, interim system head (chancellor) in Maryland, as an acting college president, as a participant in the work of the Pew Charitable Trust, and as a consultant to many institutions. He visited and drafted major portions of the materials on Ohio and Maine and made many useful suggestions throughout the text, including the critical chapters on observations and recommendations.

Houston ("*Tex*") *Elam* has given this study the benefits that accrue from broad perspectives gained through a full career in the classroom as a professor of marketing and management and as a dean at the University of Massachusetts and at Montclair State College, as a

professor at the Bernard M. Baruch College, as the deputy chancellor of the City University of New York, and as a system head in Colorado. He was instrumental at the earliest stages of this book in guiding its overall organization and focus, served on the team that visited Pennsylvania, and provided many insights throughout its development.

Executive Summary

In an effective governance structure,

- *Lay board members* understand their roles as "outside insiders" clearly. They are respected citizens of integrity. They represent the people at large and the welfare of higher education as a whole (rather than special and regional interests or groups). They have earned the respect of public officials because of their ability to anticipate and articulate emerging public policy issues. They also devote sustained attention to supporting their paid leaders and to structural and institutional effectiveness even during times of transition in board membership and state political leadership. They are articulate advocates for higher education's aspirations and achievements, and they respect the office of the college and university presidency.

- Governing boards and/or coordinating boa*rd members work together well*; their shared vision and desire to do their jobs well transcend all differences.

- Where higher education is so organized, *paid educational leaders* who serve as coordinating board executives or system heads are sensitive to institutional vision and needs as well as aware of broader educational, social, economic, and political pressures. They articulate clearly and tactfully to internal and external constituencies using language each group understands. Above all, they respect and support the college and university presidency.

- *College and university presidents* are the key players and must therefore be effective leaders both on the campus and throughout the governance structure as academic planners, policy makers, and managers. They can be held accountable only when they are given the required managerial "tools" and are not treated as "branch managers" reporting to the staff of a central administration. They report to a governing board directly and or through a system head. Through their ability,

sensitivity, honesty, and integrity, they earn the respect of their boards and public officials.

- *Communication* among higher education's internal and external constituents is open, ongoing, and honest. Well-informed governing boards and state officials are almost always allies of higher education even if the state lacks the resources to meet all budgetary expectations. Discourse is characterized by mutual respect, even during disagreements.

- *Accountability* to state government is essential; however, paid leaders in higher education can be held accountable only if given authority by state government or by system or coordinating body offices. Accountability, responsibility, and authority for decisions are properly integrated. Lay boards and their staffs (inside and outside higher education) do not make decisions for which they cannot be held accountable. Paid leaders have the authority to reach decisions for which they are held accountable.

- *Institutional autonomy* is respected, and public higher education has been freed from the most narrow governmental regulations that inhibit effective management. Institutional autonomy and effective presidential leadership are being achieved within system structures as well as in decentralized environments. Institutional identity and diversity are respected even as public policy concerns are addressed.

- *If higher education has been reorganized, the structure is perceived as better than what preceded it*, stable, accepted, and understood by its various constituents. Sufficient time has been allowed for the transition to occur and for the new structure to operate effectively before any further modifications are undertaken.

General Introduction

As postsecondary education has expanded to serve larger numbers of constituents with ever-broader ranges of services, many institutions have grown and become internally more complex. Older colleges and universities have assumed new and expanded missions and developed relationships with other colleges and universities. Both individual and groups of institutions have undergone continuing administrative reorganization.

Similarly, relationships among public and independent colleges and universities have changed and become more complex. In turn, the number of citizens involved in postsecondary education as students, employees, graduates, vendors, donors, and neighbors has greatly increased. The public investment of tax dollars and out-of-pocket costs for parents and students have also risen substantially. Accordingly, public attention to postsecondary education has grown, too. Public officials have come to view postsecondary education as a major expenditure and operational sector requiring attention, coordination, and even regulation in its service to the public and in the competition for scarce resources.

This book identifies factors, structures, and procedures contributing to effective statewide coordination and governance of public colleges and universities. We seek to reveal success stories, workable policies, and positive experiences that are relevant and useful to all states, regardless of their current governance structure. In doing so, we have focused almost exclusively on four-year public higher education.

Broadly speaking, we have had two general audiences in mind in conceiving and executing this study. First, we have sought to assist state policy makers who wish to sustain, evaluate, or modify their existing higher education structure. Second, we have sought to offer guidance to our colleagues in higher education. We take no position in favor of or in opposition to any particular type of structure, nor do we seek to propose ideal or model structures; we do, however, identify issues policy makers should consider before and after embarking on reorganization.

We begin with our purposes and definitions, then follow with five chapters on the major issues and tensions confronting multi-institution coordination and governance; an analysis of how coordination and governance differ; a summary of the rationales offered for the trend toward centralization; a discussion of the two major types of systems; an investigation of the issues of institutional autonomy; and a report on the college and university presidency in the various structures under review. After analyzing structures in four states, we examine state perspectives on public higher education coordinating and governance structures. Here we delve into the issues of quality and accountability and consider what is reasonable for states to expect from higher education. We also discuss what states must do to sustain an effective structure, what higher education practices create confidence among state leaders, and what state leaders should contemplate when considering legislation to create or alter structures.

We have drawn on numerous sources. The core of our efforts consisted of visits to four states, where we interviewed 114 individuals: legislators and gubernatorial staff; system heads and coordinating board chief executives and their senior staff members; governing board and coordinating board members; public college and university presidents; faculty members; news media representatives and business executives. We have also incorporated some insights from other observers knowledgeable about statewide higher education governance, while drawing on our own experiences in systems, coordinating bodies, higher education associations, and campuses.

University presidents formed the single largest group of individuals with we whom we spoke. We were particularly interested in how effective presidencies function within effective structures. We asked about the climate of decision making and consensus building and the degree of presidential authority and autonomy permitted in the management of institutions in coordination and governance structures.

The heart of this book consists of descriptions of representative structures in Ohio, Tennessee, Maine, and Pennsylvania, with analyses of what makes them effective in the eyes of their numerous constituents. We review and analyze governance and coordination in Ohio, where campuses exist in a highly autonomous environment with governing boards for each public university and with a state coordinating board. We next report on Tennessee, where our review focuses almost exclusively on the relationship of the coordinating structure to

the state's two public university systems. Then, we report on what we consider effective, but differing, public university system governance structures in Maine and Pennsylvania. In none of these cases did we seek to evaluate the structures or the performance of their people. Yet we were struck by recurring "shared visions" of what makes these structures work.

We chose these four states because

- We wanted to examine structures that have apparently "worked" well, over a number of years, whether or not they experienced periodic stresses.

- We wanted states of varying population sizes and regional economic differences and rivalries.

- We wished to investigate structures that would allow us to explore many of the issues raised by those concerned about statewide coordination and system governance, matters discussed throughout this report.

- We wanted to find out how successful structures have addressed the all-important issues of institutional identity and autonomy and the effective presidency, conditions one would expect to be present in such structures.

- We wanted structures different from one another but representative in their design of the major variations in governance structure that exist across the country. These structures (with their occasional exceptions and frequent variations) are the following:

  - All senior public institutions are governed within a single system without any separate coordinating body. There may or may not be local institutional boards.

  - All senior public universities, some with branch campuses or geographically dispersed satellite campuses, exist in a highly autonomous environment. Each university has its own institutional governing board. A state coordinating board exists with significant statutory powers.

- A public university system coexists with other public systems and/or with single public institutions, all interacting with a state coordinating board or planning body. The system(s) may be homogeneous or heterogeneous and there may or may not be local institutional boards.

Maine[1] and Ohio, respectively, fit the first two basic governance structures, Pennsylvania[2] and Tennessee[3] the third.

The selection of site visits was, obviously, subjective, to some degree, yet based on numerous conversations and on the educated opinions of those who monitor and understand the various structures and systems that exist—and the challenges confronting them. A consensus was reached that these states would meet the criteria which we had identified as examples of the general kinds of organizations overseeing the work of public colleges and universities throughout the state in question.

Our colleagues who are already quite familiar with the issues of state higher education coordination and system governance may find these discussions of particular value. They will also regard, we hope, the balance of the book to be a useful resource, as well. Readers seeking a broader introduction to and overview of the topic will benefit from reading the book sequentially.

This study proceeded from an awareness that state educational policy makers across the country for good reasons (and bad) often consider reorganizing the structure of higher education. Higher education governance structures perceived to be unworkable or ineffective certainly exist, but it was not our choice or our charge to examine them.

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[1]The special-purpose Maine Maritime Academy is the only senior institution not governed by the University of Maine System Board of Trustees.

[2]In Pennsylvania we limited our investigation to the effectiveness of a large system, the Pennsylvania State System of Higher Education (SSHE), a homogeneous system of 14 universities, all with a heritage as state teachers colleges, under the control of a Board of Governors. In Pennsylvania, the state coordinating body has very limited responsibilities regarding the SSHE.

[3]In Tennessee we focused on the interrelationships of a strong coordinating body with significant legislative powers and two public university systems: the Tennessee Higher Education Commission's (THEC) interaction with the University of Tennessee System and its Board of Trustees and the State University and Community College System of Tennessee and its Board of Regents, and with state government. We did not address internal governance relationships within the systems.

Instead, we chose to focus our efforts on the workable and the effective. We asked questions such as: Within this system how do the board, system head, and presidents attain and sustain the support of state policy makers? How do all interested parties interact for the public good? In a highly regarded structure of autonomous institutions with individual governing boards, what kinds of environments, practices, and political realities have sustained it, and what factors must be considered for it to continue?

From our visits, discussions, and other professional experiences we have learned how truly inseparable superior lay and paid leadership are from any one of the representative structures analyzed. While a poorly conceived structure may hamper effective leaders, the best of structures will not suffice if they lack quality lay and paid leaders of integrity, vision, and competence.

Observations and recommendations conclude the book in part IV. A summary of these insights reveals that differing, yet effective, structures have certain characteristics in common. The reader will find examples and references of them throughout the text.

The *purpose* of this study, then, is to identify in this complex and changing environment those leadership qualities and organizational conditions and procedures that contribute to effective statewide coordination and governance of colleges and universities.

The *goal* is to help colleagues gain from the successes of others while minimizing failure and frustration and discouraging change simply for its own sake.

We hope that the insights gained from the organization and operation of states with differing histories and structures may help those who recommend and make policy as they consider alternatives, modifications, or the continuation of existing arrangements. Such an effort may seem far removed from the basic life of colleges and universities—teaching, learning, scholarship, creativity, and service—with students as the central focus. But we believe that a major benefit of such a study as this is to enhance the quality of the learning environment and the outcomes of that learning for the benefit of the individual and society.

Part I: Overview of Statewide Governance Issues

Introduction: Background and Terminology

The governance of public higher education tends to be a hotly debated and often unresolved issue in a number of states, where legislative sessions rarely conclude without serious debate on some aspect of the current structure. Efforts to change governance structures are often simply the tip of an iceberg of larger difficulties between state government and higher education.

Is any one structure of higher education governance preferable to another? Some people maintain that the quality of *leadership*—not the structure—makes the difference. In many states that observation holds true and is a caveat to legislators and governors contemplating a radical reorganization of public higher education in their state. But in other states many are convinced that restructuring has improved the conditions and performance of institutions. What is postulated, nonetheless, is that a workable, responsive governance structure—guided by competent, respected lay and paid leaders of integrity—is key to higher education's ability to provide access to quality educational services, conduct meaningful research, and render useful outreach and service.

Education leaders and government policy makers wrestle frequently with ways in which quality, accountability, effectiveness, access, and efficiency can be enhanced, and competition for resources and duplication of effort correspondingly reduced. Even Michigan, which probably has the most decentralized higher education structure of all states—with its minimalist higher education agency and autonomous, constitutionally established institutions—has made a commitment to a functional principle. Policy makers still recommend, plan, budget, and set priorities. In the absence of legally established systems or coordinating bodies, state elected officials and senior staff in the executive and/or legislative branches consider and make recommendations and decisions regarding budgetary and multi-institutional priorities, allocations, and operational relationships.

Approaches to higher education coordination and governance have attracted parties of believers and doubters, friends and foes. Many wish to sustain their current structures; others wish to modify theirs to incorporate minor or even radical changes. In either case, they desire to see overall improvements made. Many of the interested parties, who may well play the greatest role in such considerations, either to sustain the current structure or to make proposals for changes and modifications, are elected and appointed government officials.

Other interested parties include coordinating boards and their staffs, governing and coordinating boards and their staffs, institution chief executives, the many employee stakeholders (in particular, the faculty, some of whom are organized for collective bargaining), students, graduates, and such external constituents as public schools, other employers, and taxpayer groups. Each holds opinions on the structure of higher education from the perspective of that group.

All 50 states have a statewide postsecondary governing, coordinating, or planning body in law that makes recommendations or decisions affecting higher education institutions (public or private). These bodies vary extensively in authority. Some play only minor roles, and their responsibilities may be limited to specific areas such as policy studies or the administration of student financial assistance; others may be established by state constitutions and are, without question, the most powerful higher education bodies in the state. The Education Commission of the States has cataloged the 50 state structures.[1] (*Charts of the structures appear in Appendix* A.) In 41 states public college or university system structures exist in law, oversee the planning and management of two or more institutions, and are run by governing boards. In a number of states there is more than one system. Even in some states without systems, certain institutions may offer academic programs or conduct research and service outreach at more than one geographic location (at branch campuses or other sites).

These varying structures of coordination and governance and their institutions face a number of critical educational and policy issues, especially as public higher education enters an era of possibly dramatic change and restructuring.

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[1]*State Postsecondary Structures Handbook* 1991 (Denver: Education Commission of the States).

Terminology

As we begin, it may be helpful if we define our terms.

The primary (but not exclusive) focus of this study is on structures that coordinate or govern institutions awarding the bachelor's degree and, in many cases, graduate and professional degrees, as well. In this study we shall generally refer to *higher education*, although we occasionally will refer to the more inclusive term, *postsecondary education*.

Some state higher education organizations are called "Commissions," others "Higher Education Councils" or "Boards for Higher Education." In this study we will refer to all as *coordinating bodies* or *coordinating boards* regardless of their statutory titles. Some are advisory, while others make almost binding recommendations and even decisions on substantive matters such as institutional missions and operating and capital budgets.

Second, in order to avoid confusion with varying titles used on campuses, we refer to the chief administrator of a coordinating body as a *state higher education executive officer* (SHEEO), whether that individual is actually called a "Chancellor," "Executive Director," "Commissioner," or "Secretary."

In addition, the official title assigned by law to the lay board ("Regents," "Governors," "Trustees," "Overseers," etc.) may be used both for some coordinating bodies and also for some governing boards at both the system and the institutional levels. Some are called "Commissions" and others "Councils" or "Boards." The legal title given to a lay body does *not* determine whether it is a "coordinating" or a "governing" entity.

A third definition is the concept of an "institution," i.e., a "college" or a "university," in contrast to the broad concept of a "campus" or to a research or service unit. Because designations of "colleges" and "universities" have changed for varying reasons, in this study both will be called *institutions*. An "institution"—a college or university—is one authorized to award degrees in its own name, in contrast to other academic units that may only award academic credit and whose staff may participate in academic degree programs leading to degrees are awarded by other institutions.

A fourth definitional issue is a result of the similarities or differences in heritage and mission among the institutions within public university systems. Aims McGuinness distinguishes between "segmental" and "consolidated" systems. In the former, the constituent colleges

and universities have rather similar histories and missions. In the latter, the system comprises a wider range of institutions, usually including doctoral/research as well as predominantly undergraduate/teaching institutions.[2] Clark Kerr and Marian Gade have used this terminology as well.[3] In this study we shall, instead, refer to *homogeneous* and *heterogeneous* to characterize systems according to the commonality or diversity of the missions and heritage of their constituent institutions, regardless of the number of institutions within the system.

Fifth, we acknowledge the distinction between a "system" of institutions and "one university, geographically dispersed" (to quote Stanley Ikenberry).[4]

In determining whether an organization is a system, whether a *public college system* or *public university system*,[5] we look for the following conditions:

- There is a single governing board for the structure, even if individual institutions have local (advisory) boards.

- Each institution under the single governing board is headed by a "chancellor" or "president" (not by a "dean," "provost," "executive officer," or "director").

- The governing board appoints/elects both the system head and institution heads.

- Faculty appointments are at a single, named institution.

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[2]*Perspectives on the Current Status of and Emerging Policy Issues for Public Multicampus Higher Education Systems*, AGB White Paper No. 1 (Washington, D.C.: Association of Governing Boards of Universities and Colleges, 1991).

[3]Clark Kerr and Marian L. Gade, *The Guardians: Boards of Trustees of American Colleges and Universities: What They Do and How Well They Do It* (Washington, D.C.: Association of Governing Boards of Universities and Colleges, 1989).

[4]Quoted in Frank Newman, *Choosing Quality: Reducing Conflict Between the State and the University* (Denver: Education Commission of the States, 1987), p. 115.

[5]In this study, we use the phrase "public college system," "public university system," "multicampus system," or "statewide system" or the term "system" to refer to such organizational structures. The phrases and terms have no other meaning in this study; i.e., they are *not* synonymous with higher education "structure."

In public university systems, the chief executive officer of the system may be called a "chancellor,"[6] "president," "executive director," or "executive officer." These officers will generally be referred to as *system heads* in this study, whether institutional heads report to or through them to the governing board or only to them. The titles "chancellor" and "president" of a system do often imply, however, greater authority than does "executive director" or "executive officer." The chief executive officer of a college or university, whether or not (s)he is called "president" or "chancellor" and apart from his/her reporting relationships to the system head and/or the governing board, will be frequently identified herein as the *institution head*.

[6]In only three states (Oklahoma, New Jersey, and Ohio) is the SHEEO called "chancellor" but in duties and responsibilities this educator is not a public university system head.

Chapter 1: Major Issues Confronting Statewide Coordination and Governance

Coordinating Bodies

Although the history of *governance* of American higher education by lay boards reaches back more than three centuries, statewide *coordination* as a separate concept and organization is essentially a phenomenon developed after World War II.[1] If governing boards still face many unresolved challenges, even after more than three centuries, it is hardly surprising that this relatively new concept is confronted by major issues, too. The challenges continue to mount as higher education enrollments and expenditures grow and public interest increases. Coordinating bodies, moreover, must function in an arena where public policy and political concerns intersect and interact (sometimes harmonizing, sometimes clashing) with higher education's traditions and aspirations. Of the many critical issues facing coordinating bodies today, we see six as crucial.[2]

[1]Such boards and their supporters prefer the term *coordination* to the more negative term *regulatory*. The authors are unsure as to the origin of the term, *coordination*. Some attribute it to Lyman Glenny in a 1959 study, *Autonomy of Public Colleges: The Challenge of Coordination*; others to a 1976 study by Richard Millard and the Education Commission of the States, *State Boards of Higher Education*. (See John Millet, *Conflict in Higher Education: State Government Versus Institutional Independence*).

[2]Excellent critiques of the issues facing coordinating bodies appear in a number of recent publications. In particular, we recommend *Perspectives on the Current Status and Emerging Policy Issues for State Coordinating Boards*, a 1991 paper by Patrick Callan commissioned by the Association of Governing Boards of Universities and Colleges; *State Coordination of Higher Education, the Modern Concept*, by Lyman Glenny, published in 1985 by the State Higher Education Executive Officers; *Effective Statewide Coordination: What is It?*, a 1985 paper by James Mingle of SHEEO; *New Issues—New Roles: A Conversation with State Higher Education Executive Officers*, also published by SHEEO in 1989, or "Combat Leaders Without Troops: State Higher Education Executives," by Lawrence Pettit and Samuel A. Kirkpatrick, which appeared in the summer 1984 *Educational Record* of the American Council on Education.

First and foremost is the *quality of lay and paid leadership*. Higher education has broad public visibility and is expected to be effective, to achieve high quality, to provide access, to be accountable, to be responsive to broad social concerns, and to be cost efficient. Citizens broadly representative of the state and its people, of the highest integrity, and committed to furthering higher education must be attracted to and prepared for service on coordinating boards.

Second, coordinating bodies and those who interact with them struggle with the issue of *clarity of assignment* of responsibilities in postsecondary education structures and in relation to other governmental entities. Are coordinating bodies intended to be advocates (i.e., independent of the focus of any sector or institution) for all postsecondary education, or are they expected to be regulatory watchdogs for state government (particularly in times of tight state budgets or when controversial recommendations need to be made that will affect institutions)? In one way or another, virtually all colleges and universities—public and independent—receive and manage funds from local, state, and/or federal sources for operations, scholarships, or capital projects. Accepting government funding entails an expectation to accept accountability, reporting, and public scrutiny. If, to some degree, coordinating bodies perform both advocacy and regulatory functions, then how should those roles be balanced? And how clearly understood and accepted (if not always appreciated) is the distinction between coordination and governance in planning and allocation of resources and territory?

Third, a postsecondary education of some form for all citizens has increasingly become a socially desirable goal. If so, some would argue, statewide oversight is needed to address *the challenges of increasing participation*, especially at a time when financial constraints limit access. To be sure, about 60 percent of today's high school graduates now attend college full or part time. The level of educational degree attained continues to rise. Yet access and degree completion rates, particularly for the economically disadvantaged and minority populations, continue to lag behind levels society has come to expect for all Americans.

Fourth, the *allocation of limited resources* (territory, programs, and dollars) among competing educational sectors and organizations appears to require a "neutral" party with a broad, statewide vision to mediate among conflicting institutions, sectors, and political pressures and to provide state government with unbiased, fiscally realistic projections and proposals.

Fifth, there is a nationwide demand for improved *educational quality*. Some observers contend that several approaches are needed to improve the academic achievement of high school students. Coordinating boards may recommend or even require course-specific requirements for admission to public higher education institutions, no matter what policies their governance structures have, to force secondary schools to focus their priorities on student academic achievement. Coordinating bodies have also been called on by governors and legislators to initiate college student outcomes assessment programs, and in some states, to assess the overall quality of higher education. At times this action has been viewed by institutions as threatening or intrusive, but in most instances the role has been considered constructive.

Sixth, unlike governing boards, coordinating boards can promulgate *mandates for change*, such as increases in faculty teaching loads, reductions in size of institutional and system administrative staff, changes in institutional missions, and even mergers, without actually bearing the responsibility for implementing and managing them. However, how can they, and should they, be held accountable for their work and the results of their decisions when they do not "manage" the institutions and systems to which they direct their mandates?

Governance of Public College and University Systems and Their Institutions

Several of the major issues confronting public higher education systems have been summarized by Aims McGuinness[3] and by Kerr and Gade in *The Guardians*.[4] In some cases the issues resemble those that coordinating bodies face, including the dual role of advocate for and overseer of colleges and universities. The key topics are as follows.

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[3]McGuinness asks how one will judge successful systems. In his opinion successful systems act as a buffer to political intrusion, avoid geopolitical problems, seek continuity in decision making, sustain attention to system issues over fiscal cycles, support institutional presidents seeking change and improvement, articulate an understanding of a system mission, deal with state and regional public policy issues, and are "up to" facing periods of change in the state.

[4]See especially chapter 10, "A Very Special Concern: Which Way? Consolidation and Control vs. Autonomy and Competition," pp. 115-127. As they point out, over 70 percent of all students in public higher education are enrolled at institutions within multi-campus systems.See also pp. 136 f., 139-143.

First, achieving *quality* in all aspects of organizational and intellectual activity must be a primary obligation of all faculty members, administrators, and board members if they are to be accountable stewards of the resources entrusted to them and, thereby, deserving of continuing and increasing support.

Although academic quality primarily is on most minds these days, attention must also be paid to quality in cocurricular life and in management of human and financial resources. Systems tend to have many constituents with often mutually exclusive demands and expectations. For some, for example, quality conflicts with access, while for others, it is its fulfillment.

Second, the encouragement and enhancement of *leadership* by board members and senior administrators in complex structures, who must face many conflicting and often highly public demands and expectations of organizational consistency, is as challenging in higher education as in government and business. How are high-caliber and qualified citizens to be attracted to and prepared for service on governing boards of systems (as well as of individual public colleges and universities)? How are board members to be encouraged to adapt a "system view" if they are also expected to "represent" certain constituencies?

How is leadership defined and rewarded? How is the apparently conflicting demand for vigorous leadership at both system office and institutions to be reconciled? How is the system head to enhance the power and effectiveness of the institution heads without undermining his or her own authority? How are institution heads in systems to be leaders who are neither totally autonomous nor mere branch managers? How are institution leaders to be encouraged to be major team players with a broad system view, to make recommendations on system planning and policy, when this approach may conflict with their institution's aspirations and needs?

Systems must not only identify and encourage leadership but must also find ways of encouraging *continuity* to maximize the benefits of successful leadership experience.[5] Continuity is essential for boards if they are to devote sustained leadership attention to the effectiveness of the system, institutions, and their leaders.

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[5]Ibid., p. 141.

Third, *clarity of assignment of responsibilities* is a major challenge, both externally and internally, for all parties: the board, administration, faculty, and staff. Several examples may suffice.

In some states, governing boards are engaged externally in struggles for authority with state officials or with coordinating bodies. In addition, as Kerr and Gade point out, on the one hand, board members are sometimes torn in their loyalties. They may believe they have obligations to represent special groups, regions, individual institutions, or those who appointed/elected them. On the other hand, they are to approach their duties from the perspective of the organization's own character and needs.[6]

At times, governing boards of public institutions are expected to be advocates for their institutions and/or systems. Yet, particularly for institutions without land-grant heritage or research university status, they are often also expected to monitor and control on behalf of state government. Board members are also expected to represent the views of the public and to insist that institutions under their jurisdiction address broader social and educational issues in addition to their own aspirations.

Board members may wonder how they can keep principal state officials informed of their plans and priorities (whether or not sunshine laws prevail) to build good relations and to avoid surprises without compromising their roles as guardians of their organization's integrity (if not its absolute autonomy). How are they to maintain positive relations with leaders of the executive and legislative branches without yielding to political intrusion in such areas as presidential appointments, awarding of contracts, collective bargaining, and student admissions?

Internally, governing boards of systems may need clarity regarding their official roles in interaction with administrators at various levels, with faculty members, and with students in their search for needed information and their desire to be fair and open —much as is the case within individual colleges and universities.

One argument for multi-institutional oversight by system governing boards maintains that such boards have broader perspectives in the public interest and do not become captives of a single institution or its

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[6]Ibid., pp. 136, 140.

administration. And so board members may struggle with expectations that they simultaneously govern the system as a whole while also being "the board" for each institution in the system.

System heads need clarity about their roles in relation to those of the institution heads, especially regarding the establishment of system and institutional priorities as they evolve and are evaluated from both within the institutions and also from public policy makers. The board and system head need clearly to understand the role of system office/board staff members as coordinators of planning and external relations, on the one hand, or as managers and monitors of both system and institutional performance, on the other.

Institution heads, in turn, need clarification of their roles and responsibilities to various external constituents (including state officials), to the board, and to the system head. In addition, as part of the senior management team with responsibilities in planning and policy development as well as in institutional administration, they have every right to expect clarity about their duties within the system as a whole.

Fourth, some systems face challenges stemming from the *heterogeneity* of their institutions. As Aims McGuinness points out in his analysis of consolidated governance systems, in systems having both land-grant-research universities and primarily teachers colleges, struggles can arise over allocation of resources and missions: the research universities fear being "leveled down," and the teachers colleges fear receiving disproportionately less attention and resources.

Fifth, *communication* with external and internal constituents has become an increasingly complex problem, especially as systems become larger and more heterogeneous. Who speaks for the institutions, the system, and the governing board (if they are each viewed as different) to external groups? How can institution heads, students, faculty members, and other senior administrators communicate with their governing board in ways that are open and beneficial to governance? How can surprises be avoided so that the state's principal leaders in the executive and legislative branches can be informed without compromising internal autonomy and mandated authority?

Sixth, systems struggle with the *polarities of centralization*: coordinated, top-down planning and consistency (often in response to external public policy pressures), on the one hand, and institutional distinctiveness, identity, initiative, and autonomy, on the other. To be a viable, worthwhile structure, the system must be greater than the sum of its parts while also encouraging institutional creativity and innovation.

The search for system visibility and multi-institutional efficiency, at times, sharply conflicts with the drive for institutional identity and autonomy, even if the system offers the institutions additional managerial flexibility (i.e., freedom from standard state administrative procedures) and possible budgetary savings.

Seventh, a system organization—board and staff—must offer an apparent *value added* in comparison with other governance forms or the organizational structure that preceded it. What does the system do to improve quality, access, effectiveness, and efficiency in ways that institutions individually cannot? How does the system itself demonstrate efficiency?

Additional challenges for systems include finding the right forum for faculty members and students to be heard. Are collective bargaining and contract administration to be handled systemwide or individually by institution? And how does that decision affect the leadership roles of institution heads? Through what mechanisms will faculty members and students participate in institutional and systemwide governance?

The range and complexities of these challenges demand clear, flexible, and strategic reflection and action if systems are to be effective organizations that support and strengthen their institutions, foster access, and improve quality in teaching, learning, scholarship, creativity, service, and management of resources.

A word needs to be said about the issues faced by institutions in states without systems, where governing boards oversee individual institutions. Institutions in nearly every one of the 12 states in this category have faced pressures to centralize, from proposals to strengthen the managerial powers of coordinating boards to proposals to create single statewide governing board ("superboards"). As elaborated in chapter 6, institutional boards must function at a high level and be active in clarifying and articulating their roles. The institution heads whom they select must be able to function in a competitive environment. They must also be willing to undertake cooperative efforts whenever feasible. In addition, institution heads must be politically astute and, above all, be managers of the highest quality.

Coordination and Governance: How Do They Differ?

The distinction between coordination and governance may not always be clear. Understandably, then, state officials occasionally have difficulty in comprehending the differences. In practice, planning and

coordination decisions, when they carry legally mandated authority or when they involve budgetary authority, may become governance actions. When a coordinating board determines the operating and/or capital budget recommendations made to state government, or has statutory authority to determine missions of public colleges and universities, some observers may wonder whether coordination has become governance.

It is generally understood that an organization is a *coordinating body* if

- it does *not* play any statutory or advisory role in the selection of institution staff (especially institution heads) or system staff

- it has some form of oversight (e.g., master planning, budgeting, program review and approval, policy analysis)—even if only advisory—in all public postsecondary education (in many states over independent and in some states over proprietary, as well) and in mediating and resolving issues and differences between sectors and/or governing boards.

As noted, coordinating commissions, councils, and boards are relatively new phenomena. Perhaps one can better understand the occasionally overlapping activities of coordination and governance by considering the responsibilities of a governing board of a hypothetical, large, complex research university (without regard, in this context, to geographic location) at some time in the past, before the advent of coordination and public university systems.

Be it public or independent, this "typical" university has many internal and external constituents competing for its attention and "favors." The lay members of this governing board, and their appointed senior administrative staff, are expected to fulfill a broad range of responsibilities, which might be called *coordination*:

- They must represent the public interest of their external constituents, who may include, depending on university history, a church denomination, alumni/ae, a local business group, and/or state government. In so doing they are to bring to the university's attention evolving and current issues of public concern that may not coincide with the perspectives of the faculty, staff, and/or students.

- In the case of a church-affiliated university, they may be expected to appear before the denomination synod, council, or chapter to give account of their stewardship of the university's human and financial resources and of the "faithfulness" of the university to its distinctive mission.

- They should act as a buffer between the university and external forces that would unduly influence academic life.

- They may be expected to interact with other education bodies (school, other colleges and universities) to achieve agreed-on educational goals.

- They must ensure that strategic planning is conducted and leads to defined priorities and realistic yet imaginative budgets.

- In a complex university with professional schools and research centers, they must mediate among the many internal and external pressure groups and publics expecting support.

- They must advocate for the university, as a whole, as well as for favorite, nationally regarded schools or programs, soliciting donations with careful sensitivity, portraying both needs and achievements in the most favorable light.

These same board members are also expected simultaneously to *govern*:

- They must give *sustained attention* to all aspects of institutional effectiveness and long-term vision, especially during times of potential distraction such as those caused by financial troubles or changes in senior paid leaders.

- They must also develop and review short-term tactical plans that move the university toward its long-term strategic goals.

- They must allocate funds to the schools, colleges, institutes, and centers in keeping with university policies and ensure they are managed effectively by administrative staff who make periodic performance accountability reports to the board.

- They must make personnel and program decisions in keeping with university and school missions, priorities, and resources.

- They must oversee the maintenance of the physical plant and receive proposals for renovation and new construction.

In carrying out these responsibilities, boards find that *the processes of coordination and governance are fluid* and that the lines between them are not always precisely drawn. Coordination involves governance, and governance, in turn, is intertwined with the processes and outcomes of coordination. Because of the way higher education structures have evolved over the past 25 years, one might say that in many states those who govern and those who coordinate *share authority* over colleges and universities. No wonder, then, that in complex higher education structures with several competing and evolving colleges and universities, with system boards, perhaps with institutional boards, and with coordinating boards (each with professional staffs), coordination and governance become interwoven.

Such was the case in the states we examined. Pennsylvania and Maine have no highly centralized coordinating bodies, and the system governing boards, in certain areas, assume coordinating roles for the institutions under their control. In Ohio, a coordinating board works with the relatively autonomous governing boards of individual public universities (and, more loosely, with the boards of independent colleges and universities). In Tennessee, the Higher Education Commission has for a quarter-century played a highly visible and effective coordinating role, working for most of that time with the governing boards of two multi-institutional systems, as well as with independent and even proprietary institutions.

Yet in each case we have observed, in general, mutual respect between educators and lawmakers for the roles of the various bodies, a desire to work cooperatively to achieve shared goals, and an understanding of the expectations for effective coordination and governance.

Chapter 2: Rationale for Centralization

Over the last half-century, a method widely used to achieve quality, access, and improved efficiency through broad oversight has been to centralize coordination and governance, planning, and operation in statewide and multi-institutional boards, each staffed by professional educators who are to assist lay board members in reaching decisions for action or for recommendation to senior state officials. The *goal* has been the creation and operation of a structure that is responsive to both external and internal aspirations and needs, and in which the whole is more effective in every substantive way than the sum of the parts: quality with access, and efficiency with creativity and scholarship, in service to the people of the state.

The growth in the number and responsibilities of state coordinating bodies can be attributed to a number of factors. All of them originate in one way or another from the premise that broad public, social, and educational policy may well have a higher priority than academic policy in the individual institution. Further, the public at large, through government entities, has the duty to recommend such policies as needed to enhance quality, access, accountability, social equity, and economic development, and so on. Moreover, all of postsecondary education has increasingly been expected to address and, as much as possible, solve current problems (perhaps more than to consider long-term problems through basic research). Statewide planning—be the topic health care delivery or highways—has become increasingly attractive to those who must find the best use of limited resources.

Several factors have contributed, then, to the decision to create coordinating bodies and/or to organize public colleges and universities into one or more systems in a state. This effort to centralize has not come without great controversy. The locus of power, some allege, has unfortunately shifted from colleges and universities to state agencies and centralized authority. More important, they charge that the ability

to address broad public, social, and education policy needs requires entrepreneurial, decentralized initiative with minimal or no statewide planning or coordination. Thus, there is agreement on the broad issues that must be addressed, but no consensus on the mechanism to address them. Reasonable and intelligent people have strongly disagreed, leading to many lively, and still unresolved, debates.

Support for centralization has come, at various times, from both state officials and education leaders. Often several issues come into play, such as

- the size of the state and the number of public colleges and universities it has

- the history of public colleges and universities and their previous governance arrangements (In some cases, state superintendents or departments of education had overseen public colleges, many of them [former] teachers colleges: both the expansion of the curricula and complexities of the institutions, on the one hand, and the increased demands in elementary and secondary education, on the other, have caused the control of such institutions, in many cases now "regional comprehensive universities," to be transferred to different or newly created governing boards.)

- the balance of size and clout of various institutions and systems

- political, regional, and economic concerns such as

  - demographic shifts in various geographic regions or in the state, as a whole

  - economic, educational, and cultural competition for public support and funding (particularly by geographic area)

- state government pressures to centralize planning and oversight to respond to the public interest in such areas as economic development, racial integration, and increased quality, access, and efficiency. (Typical is the desire of a state political leader to be able to contact a single leader to whom (s)he can address expectations and concerns.)

Coordinating Bodies

Coordinating bodies have statutory responsibilities that vary from state to state, yet all are expected to perform a number of similar tasks. As noted, they work in a highly charged environment in which the perspectives and realities of budgetary limitations, political pressures, and larger public and social policy concerns intersect with higher education's established traditions, perspectives, and aspirations. When functioning effectively, they act as a buffer between parochial or partisan political pressures and the academic community. They offer communication, provide information and data, and "translate" the concepts and concerns of each group into the "language" of the other.

According to William Coulter, former chancellor of the Ohio Board of Regents, experience has shown that colleges and universities do not always know how to respond to the needs and sensitivities of state governments; in the same way, state government does not always make reasonable demands of higher education. The role and test of the effectiveness of a good coordinating body is to bring the two worlds together. In general, coordinating boards and their professional staffs are expected to encourage wide and open participation in the various processes, build consensus, and meet tight deadlines for their responses and recommendations.

Their activities fall into several categories: representing the public interest to higher education; conducting multi-year strategic planning; serving as special staff to state government on higher education matters; mediating among postsecondary education's various sectors; and acting as objective advocates for postsecondary education's needs and champions of its achievements. Following is an elaboration of each of these functions.

- Coordinating bodies bring to the attention of postsecondary education broader public policy issues and concerns, raising questions and undertaking initiatives that governance bodies and administrators of educational institutions should address, such as quality, accountability, access, articulation, non-duplication of effort, and graduation rates. Indeed, they may challenge governing boards and universities to address issues which, because of pressures institutions face, they could have difficulty initiating themselves. In so doing, they may request and obtain new or alternative funding mechanisms (such as incentive grants) to achieve certain goals, allocating these funds to institutions based on their commitment to address them.

It is in this category of activity that some state officials expect coordinating bodies to be regulatory watchdogs and have voiced their anger when the lay and paid leaders of these bodies do not see this task as their highest mandate.

In some states they have authority to license and review the work of proprietary schools and, in general, must approve the requests of out-of-state institutions to offer degree programs in the state.

They may also be authorized to oversee or manage state-funded academic and scholarship programs.

They are also expected to work with the state leaders of K-12 education in an effort to solve problems of shared concern (for example, the preparation and continuing education of teachers and school staff members) by leveraging college and university outreach to and partnerships with the schools.

- In cooperation with political, social, and business groups and other educators, as well as with the public institutions themselves, coordinating bodies guide and coordinate multi-year strategic planning. Their staffs are expected to analyze postsecondary education's external environment and to review the resources and progress of public colleges and universities in addressing the problems in that environment. As a result, they are expected to focus and set larger educational priorities, to develop plans and goals, and then to review and make recommendations or decisions about the missions and proposed programs or modifications presented by (public) institutions or systems.

  In the area of mission and program approval, in the balance between *descriptive* and *prescriptive* planning, the most frequent confrontations occur between coordinating bodies and institutions of higher education. Coordinating body decisions against duplication of effort, against new geographic sites for offerings, for new degrees at higher levels, and for new degree programs lead to frequent debates about the fluid and often fine line between coordination and governance.

- In postsecondary education, coordinating bodies have tended in some cases to become a kind of special staff to the executive and

legislative branches of state government. In so doing, they may be able to shield legislators from pressures from special or local interest groups, in addition to providing, as noted, a buffer between sharp external pressures, on the one hand, and lay and paid institution and system leaders, on the other. When they function well in this highly charged climate, their data reports and budget formulas and priorities tend to be viewed by political leaders as welcome relief from the burden of difficult choices.[1]

Coordinating bodies are expected to gather, interpret, and present data on the external environment and activities of postsecondary colleges, universities, and systems. They are often expected to develop, defend, review, and modify operating and capital budgetary priorities and formulas and then make recommendations to state government. These recommendations may take the form either of a consolidated postsecondary budget or a series of commentaries on proposals submitted directly by the governing boards of public institutions.

- Within the postsecondary education community they are often called on to mediate between public and independent sectors, between two-year and senior institutions, among systems, and among special interest groups. They are expected to prevent undesirable duplication of program offerings. Their resulting decisions and recommendations may be expressed in budgets, mission and program (dis)approvals, and geographic program offering (dis)approvals.

- They are expected to be objective advocates for higher education, taking a broad view and making a convincing case to state government while articulating higher education's needs and lauding its achievements. To the degree they have the support of their lay boards and the respect of political leaders and their fellow educators as educators themselves, they can effectively build public support as they articulate in the widest possible public forum education's achievements, services, and aspirations.

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[1]Also, many states do not have full-time legislatures or adequate professional staffing, and the coordinating board staff assumes these functions for higher education.

Multi-Institutional Governance: Systems

Public university systems have been created and developed for some of the same reasons as coordinating bodies—in particular, to address a variety of evolving challenges.

A system can provide "added value" and may function best when it can identify and emphasize activities that can be done best at the individual college or university from those that should be undertaken collectively because of costs or inappropriateness for institutions to handle individually. In so doing, institutions benefit from the size, visibility, status, and shared resources of a system in both good and hard times. Examples might include

- cooperative external advocacy with state government in identifying major issues requiring state attention and support in order to be resolved and fully addressed—e.g., access, articulation, improved teacher preparation

- shared efforts to enhance faculty self-esteem and information on faculty achievements systemwide, providing a showcase for faculty scholarship and creativity

- shared intellectual and financial resources in capital planning and construction

- shared computer systems and knowledge to provide academic and administrative services that exceed the financial resources of any single institution

- extended learning technologies for shared instructional programs, especially in sparsely populated areas

- interinstitutional cooperation to achieve operational flexibility from state oversight strictures

- resources shared (loaned) resources among the institutions in times of unforeseen emergencies

- shared information on how to solve critical issues (internal expertise)

- pooled information and shared expertise in developing performance accountability plans on the achievement of quality, effectiveness, and access by institutions in the system

- shared leadership in system management by senior staff at the system and institution levels to maximize the benefits of substantial experience and insight

- identification of intellectual expertise in various units of the system to help state government solve pressing problems

- resolution of problems and issues (e.g., duplication of effort, budget allocations) within the structure rather than through state intervention;

- cooperative strategic planning to address major public policy issues.

While striving to provide the benefits of multi-institutional cooperation, effective public university systems also seek to identify and emphasize that which institutions, by their very nature, do best.

Chapter 3: Heterogeneous, Statewide, and Homogeneous Systems

As noted, Aims McGuinness has classified systems by distinguishing between "segmental" and "consolidated." Stanley Ikenberry has also identified systems and sought to distinguish them by the titles of their officers and how they perceive their roles.[1] Much of this effort to categorize systems may result from the characteristics of homogeneous and heterogeneous systems. In the former, the heritages and missions of the institutions are similar. In the latter, at least two if not all three kinds of institutions are included, i.e., research (doctoral and land-grant) universities, community colleges, and undergraduate/master's-level colleges and universities (often called "regional comprehensive universities").

Boards governing *statewide systems*—like those in Maine and Pennsylvania—face their own set of challenges in developing and maintaining statewide and systemwide perspectives.[2] Their members should reflect the cultural, educational, geographic, ethnic, political, and economic diversity of the state, as a whole, without, however, representing particular regions, institutions, interest groups, and factions. When the criteria for the selection of board members hinge primarily on each geographic region and on constituent groups, boards may have difficulty reaching consensus or become virtually immobilized by contentious issues that may be reflective of broader political or economic divisions within the state.

Maine, for example, is a large state in area though not in population. Like many other states, it has regional distinctions and differences between rural and urban areas. Constituencies have arisen for particular regions and certain institutions. The University of Maine, the land-

[1]Newman, *Choosing Quality*, pp. xiv, xv, xvii, 115.

[2]These comments apply to boards governing both heterogeneous systems, like Maine's, and homogeneous systems, like Pennsylvania's.

grant and sea-grant institution located in a rural north central area, has a large body of loyal alumni\ae. The fastest-growing institution in the system has been the University of Southern Maine (USM), located at three principal sites, in Portland, neighboring Gorham, and the newest site, Lewiston-Auburn. Portland, in southern Maine, is the hub of the state's largest population area, and tensions have existed between the two universities over priorities for funding and for academic programs (including engineering) in a state with limited resources. Over time, the skilled leadership of the chancellor and Board of Trustees has been able to reduce the tension while also attending to the academic enhancement of the system's smaller, rural institutions.[3]

Pennsylvania is large both in population and area. The Pennsylvania State System of Higher Education (SSHE) operates universities in every region of the state. The system has been spared the worst effects of rural/urban tensions and the most trying effects of partisan party politics and local loyalties because of the leadership skills and integrity of the chair of the Board of Governors, the energy of the chancellor in developing a feeling of cohesion, the continuity of board leadership and its growing sense of pride in the universities, and the similarity of mission and heritage of universities in the system.

In these statewide systems, the board and the system have, over time, come to have their own collective "institutional" identity, their own feeling of momentum, cohesion, direction, and pride, which influences new members as they join the boards.

Heterogeneous system structures, be they statewide or regional, offer both benefits and liabilities. Twenty states have such structures with one board governing all public four-year institutions. These 20 systems vary in size from three institutions in the statewide system (Arizona and Iowa, for example) to as many as 19 in the University System of Georgia.[4]

The common characteristic of heterogeneous systems is the governance of institutions with diverse missions: land-grant and re-

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[3]The need for quality in leadership cannot be underestimated. The chancellor of the University of Maine System, who has played a major role in building understanding, had been, before becoming system head, the president of the USM, where he had also been very effective in overcoming more than a decade of friction between two USM campuses.

[4]The University System of Georgia also oversees 15 two-year colleges.

search institutions as well as comprehensive and regional teaching institutions.[5] Frequently they are larger (in terms of enrollment and number of institutions) than homogeneous systems.[6] Heterogeneous systems appear to be effective when the following conditions apply:

- The leaders of state government believe that the structure and its leadership enhance quality, accountability, access, and effectiveness.

- The leaders of state government believe that communication with the organization is simple and effective.

- The inclusion of more "prestigious" institutions, awarding higher-level degrees, is perceived internally to increase the clout and visibility of the system as a whole, and of its other institutional members and, thus, to attract lay and paid leaders of greater importance and recognition than might otherwise be possible. Leaders of less "prestigious" institutions believe that the system and their institutions are receiving higher levels of respect and funding because of the system's size and the "prestige" of its leading components. They also believe they may be able to draw on the intellectual resources of the more "prestigious" universities in the system while offering their faculty members, students, and staff members increased professional, educational, and economic opportunities.

- Large systems including prestigious research universities have been able to achieve, over time, greater independence from state regula-

[5]There may be exceptions, such as the inclusion of the two-year colleges or the exclusion of specialized campuses.

[6]Exceptions: the Pennsylvania State System of Higher Education is a large, homogeneous system, as is, for example, the California State University System.

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tory control and micro-management, and this autonomy can be shared with other institutions that had previously lacked it.[7]

- Because of the breadth of its intellectual resources, the system seems able to provide comprehensive responses to academic and public policy issues.

- The lay and paid leaders of the system show by their actions sensitivity to the differences in institutional heritage, size, mission, and funding levels and, in the case of larger structures, awareness of the problems of communication and shared leadership.

- The system head is able to forge a special, mutually supportive working relationship with the head of the flagship university in the system. This relationship is crucial for success in effective statewide heterogeneous systems.

In Maine, friction between previous office holders had nearly destroyed the system. With extra effort the board was able to keep the system unified. Fortunately, new leaders have achieved far smoother working relationships. In such cases, extra care may be necessary on the part of both system head and flagship president to forge a working relationship that promises to advance the system while maintaining the special role that flagships can and should play in the state.

Heterogeneous systems may also suffer from certain liabilities unrelated to the quality and integrity of their leaders. To some degree

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[7]There may be a temptation, in times of budgetary crisis, for various units of any system to attempt to save funds by trying to transfer administrative functions (and their costs) to other parts of the system. Such steps can help the unit in question, particularly a system office, appear to have reduced administrative costs and operational management.

In a heterogeneous system in which the flagship university has gained autonomy from state agency management (and where, then, this autonomy has been shared with the rest of the system institutions), there is even a temptation to transfer some functions back to state agencies. For example, because of a projected decline in the number of capital projects that will be funded, one large system has given some consideration to abolishing a system facilities planning office and to returning all those activities to a state capital planning agency.

The danger for a system to quickly alter its basic mission and principles under pressure is no less dangerous than it is for a college or university to do so.

these difficulties may stem from the size of the system or disappointment with the system's success in fulfilling expectations, particularly in comparison to any earlier structure it may have replaced.[8] Potential pitfalls are as follows:

- Leaders of the different types of constituent institutions tend to believe their particular needs and aspirations are not well understood, appreciated, or fulfilled. Flagship university leaders tend to believe that their institution's distinctive mission is being clouded by other system institutions aspiring to it, and that resources they need are being funneled off to less "prestigious" institutions.

- In an effort to produce simplified data summaries, there is a dangerous temptation to use facile, "one-size-fits-all" criteria (on such topics as teaching assignments, faculty salaries, admissions criteria, and graduation rates) that may fail to do justice to differences of mission.

- Leaders of the less "prestigious" colleges and universities may see funding levels and formulas as not only unequal, but, from their vantage point, inequitable. They sense that their traditional commitment to teaching, rather than to externally funded research, makes them appear second rate. Institution heads face internal pressures from employees to raise salaries to levels similar—if not identical—to those at research universities and to adjust teaching assignments to make them comparable.

- Even designating institutional names can become a serious problem because of institutional identity, history, and pride, especially when the name changes are prompted by conformity to a new structure.[9]

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[8]Kerr and Gade have made clear their concern about the liabilities of "consolidated" systems when making their recommendations: cf. esp. p. 127.

[9]In Maine the name of the flagship was changed during reorganization to "The University of Maine at Orono." Many of the University's constituents thought that this reduced its prestige because the former teachers colleges were also called "The University of Maine at ...." Under considerable pressure the geographic designation for the flagship campus was removed and the university's title was changed back to its own distinctive name.

- In larger, more heterogeneous systems, institution heads may have less contact with the governing board, which, in turn, may mean that the institution heads may have either less support or less oversight—or both. Some institution heads feel that the board is less able to understand and show interest in the individual constituent units, especially if they are considered less prestigious. Some college and university presidents and chancellors have tended to see system boards as an external constituency.

- Some educators fear that in consolidated heterogeneous systems a unified state governmental relations effort (especially to leverage higher system appropriations) is hampered by weakened political linkages between local legislators and local institutions. In other words, there is a feeling that some systems have been *too* successful in centralizing state relations, resulting in a removal of the institutions from the political process and, thereby, hurting overall system efforts.

- There is a growing movement to decentralize government based on the ever-present sense that large, centralized government bodies are bureaucratic and inefficient. Critics say creativity and entrepreneurship are needed at all levels of government.[10] Many institution heads have long held this view of public university systems.

Policy makers desiring to create or enhance the effectiveness of heterogeneous systems should consider such benefits and liabilities in their planning. In the past five years, two states have taken opposite directions in efforts to improve quality, access, and efficiency: one toward consolidation in a heterogeneous system and the other toward decentralization through division into two homogeneous systems.

- In Maryland the heterogeneous University of Maryland System was created with a new Board of Regents for all but two of the state's four-year institutions. The Board of Trustees of the State Universities and

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[10]For a far-reaching discussion on the issue see *Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector*, by David Osbourne and Ted A. Gaebler. McGuinness, in the AGB "White Paper," touches on a related topic, corporate restructuring, by citing *When Giants Learn to Dance*, by Rosabeth Moss Kanter.

Colleges of Maryland, the governing body for six non-doctoral institutions, was abolished, as was the Board of Regents of the University of Maryland, "one university, geographically dispersed." The five campuses of the former University of Maryland were named individual institutions by statute, as had been the six institutions in the former Board of Trustees System. The system administration was consolidated in the location of the "Central Administration" of the former University of Maryland (which was larger and more prestigious). Most aspects of the Board of Trustees System were subsumed by those of the former University of Maryland as is often the case in corporate takeovers of smaller organizations by larger ones. A new Maryland Higher Education Commission was created, replacing the State Board for Higher Education, to oversee all of postsecondary education, with particular control over the public sector.

- In West Virginia two homogeneous systems replaced a heterogeneous system after a comprehensive study was conducted by external consultants. The single Board of Regents was abolished, and two new boards were created: one to govern the research-doctoral universities and professional schools and the other to govern the state colleges—the University of West Virginia System and the State College System of West Virginia, respectively. In order to save administrative costs, the chancellors of the two systems share a single staff to serve both systems and their boards, a unique arrangement in American higher education.

These modifications have occurred recently, and the new structures have been plagued by their states' serious budget problems, among other matters. Therefore, it is too early to assess the benefits and liabilities these diametrically opposed reorganizations may have had.

Chapter 4: Institutional Autonomy

Institutional autonomy is sacred to colleges and universities. Yet it holds different meanings among different constituents of higher education at various times in their institutional evolution. In higher education, it is a complex, relative, mutable principle, prized by departments, schools, colleges, branch campuses, universities, systems, and coordinating bodies alike.

Some in state government view autonomy as a defensive tactic by higher education to shield itself from state intervention. The concept is too often misunderstood by state officials, and colleges and universities are largely to blame for this misunderstanding. Granted, some legislative actions may be intrusive or impulsive. But because of its responsibility for stewardship of public funds and teaching of students, higher education should be willing to volunteer information to policy makers to demonstrate accountability. Accountability and autonomy are inseparable.

Robert Berdahl has made a positive contribution by distinguishing autonomy from "academic freedom," albeit an important but entirely different concept. "Substantive autonomy" is defined as an institution's ability to determine its own goals and programs, and "procedural autonomy" is seen as an institution's ability to determine the means by which its goals and programs will be pursued.[1] Constraints have existed at various times over both; for example, higher education would claim that many state level discussions on college role and missions have led to constraints on substantive autonomy.

The chief executives of America's public colleges and universities often view the concept, enhancement, and preservation of institutional

[1]"Public Universities and State Governments: Is the Tension Benign?" Address delivered at a Distinguished Scholar-Teacher Lecture at the University of Maryland, April 24, 1989.

autonomy as critical to the entire academic enterprise.[2] However, the extent of institutional autonomy cannot be the primary or absolute benchmark for the effectiveness of any particular form of higher education governance, including coordinating and system organizations. With an ever increasing array of interested constituents who expect to participate in institutional decision making, and with ever more public and private sources of funding, it is impossible to think of any university these days as truly "autonomous." Institutional autonomy is thus a sensitive issue throughout higher education. It has been raised as a serious matter in every state we visited.

The key to achieving quality and effectiveness in higher education is to encourage, motivate, enhance, and reward leadership. The larger and more complex higher education grows, the less feasible highly centralized, top-down, micro-management of academic units becomes. Most college and university presidents and chancellors would correctly argue that their creative leadership and managerial talents are best utilized in an environment of institutional autonomy.

Organization and Operations

Public university systems usually experience some tension between "centralization" and "institutional autonomy." The degree will lie along a continuum, much like the tensions at institutions regarding the locus of decision making and the details of managing each subunit. The most desirable balance would appear to be one, not unlike that at a well-run university, in which the system's leaders encourage leadership at each level of administration and maximize the benefits of multi-institutional planning and cooperation.

Autonomy, authority, and accountability are interdependent. Senior educational leaders can be held accountable for the quality, creativity, and

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[2]Indeed, for Kerr and Gade, "threats" to institutional autonomy are "A Very Special Concern" (chapter 10 of *The Guardians*). They observe correctly that the allegiance and support of students, faculty, parents, graduates, and donors is to the institution, to "the campus," and not to a system or to a coordinating structure (p. 118). On the other hand, they may oversimplify the complexity of such an issue when they argue that "the natural unit in academic life is the campus" (ibid.). While that may be the case for single-purpose colleges, in large, complex research universities the "natural unit of academic life" is probably the department, professional school, or institute. One is forced, therefore, to ponder the extent of autonomy in the "multiversity" and to accept the possibility that the polarities of centrality versus autonomy are not easily resolved.

responsiveness of their institutions only if they have the authority to manage the resources—human and financial—for which they are responsible. If others outside the institution attempt to manage its affairs, and in so doing, undermine leadership, then they become (or should become) accountable for the results of the decisions that are made.

On the surface, at least, the way governance is organized can mask the degree of control or autonomy that actually exists at an institutional level. Many believe that the mere presence of multi-institutional governing boards precludes autonomy. Some argue the existence of single institutional boards signifies a high degree of institutional authority. But as our review of coordination and governance indicates, structures and their interrelationships are far too complex for such simple cursory analyses, especially when, within *effective* public university systems, institution heads play active roles in the planning, policy development, and management of the entire system as well as that of the colleges and universities under their care.

In considering the impact of a statewide or system structure on real and perceived institutional autonomy, we have found that the history of higher education in the state can influence institution heads' perception of autonomy. For them, life in a system may offer greater autonomy than they had previously enjoyed. When recalling their institution's previous status under the jurisdiction of a state commissioner or department of education or as branches of a centralized, multicampus university, some find that autonomy has actually increased as their institution has become a constituent unit of a system. Some might call this "autonomy through centralization." For others, however, autonomy does not have to (or cannot) be achieved through a system structure. In New Jersey, the nine state colleges were given institutional boards and removed from the auspices of the Commissioner on Education in 1966. Stifling oversight, however, was continued by the state executive agencies and by the new Department of Higher Education (the coordinating body). Not until after 20 years of struggle, culminating in passage of landmark legislation in 1986, was a sufficient level of autonomy achieved, leading to demonstrable improvements. During many a serious debate prior to passage of the 1986 legislation, it was decided that a centralized system of state colleges was not the vehicle to accomplish the desired level of autonomy and, above all, quality.

As the New Jersey case demonstrates and as this report will show for Maine and Pennsylvania, a major factor to consider in evaluating autonomy is the *degree of state administrative regulations*—decisions made outside of higher education—which affect the managerial flexibility of public colleges and universities in their operations.

In the recent past and in the present, institutional autonomy functions, like all of higher education, within those overlapping constraints of coordination and governance we have reviewed previously. In the three states with systems we visited, statewide and systemwide planning appeared to be participatory and inclusive, offering institution heads the opportunity to share in developing the overall vision for the organization while also enjoying considerable—but not total—autonomy. The structures have also challenged them to plan their own institutional priorities and contributions to the larger plan, including both initiatives and responses to public policy issues.

Clearly, some constraints on institutional autonomy stem from aspirations often based on finances and limitations of mission.[3] Although many argue for open competition among colleges and universities, the need to address major public policy issues, the competition for scarce public resources, and society's inability to support an unending proliferation of doctoral-degree-granting universities must necessarily place some reasonable constraints on college and university autonomy.

Continuing struggles over institutional autonomy are often between institutions with their own governing boards and coordinating bodies, or between systems and coordinating bodies. In systems, the interpretation of infringement on institutional autonomy may be influenced by the character of the system governing board. There are those who argue that a system governing board is an "external" constituency, implying that its mandates "violate" institutional autonomy. On the other hand, others maintain that a system governing board is an "internal" constituency, that it is *the board* for each college and university in the system. The same arguments have been raised for years, of course, by faculty members of free-standing colleges and universities

[3]In Pennsylvania and Maine, the larger planning vision was developed at the system level, while in Tennessee and Ohio plans were developed by the state coordinating body.

who have objected to board decisions directing institutional academic life.

These controversies can be minimized, possibly prevented, by arranging for institutional participation in recommendations made to the governing board. And in heterogeneous systems, distinctions made by the board as to the varying heritage, mission, and character of system institutions are critical to preserving their distinctive identities.

Areas of Tension

Public policy, statewide government affairs, and higher education management at the system and coordinating board levels can impinge on institutional autonomy in many ways:

- As noted, in financial affairs, constraints on autonomy frequently come from outside higher education in state policies applied across the board to *all* state agencies (including colleges and universities). Pressures to increase centralization are particularly strong during times of budgetary crisis, when state budget officials may prefer to set restrictive guidelines rather than allowing decisions to be made at the institutional level, closest to those most affected.

  In the two systems observed most closely, the governing board and system leadership gave institution leaders the autonomy and authority to reach hard priority and expenditure decisions at their own campuses. There was general consensus that times of budgetary crises call for maximum institutional leadership autonomy—and accountability. However, to some degree, at least, because of long-term commitments and, at times, because of statewide collective bargaining agreements, autonomy and flexibility—in a system at several levels or in a "stand-alone" institution—may be quite constrained.

  Understandably, institution heads find procedural autonomy circumscribed when the state establishes stringent purchasing requirements, controls the number of employees, and limits carry-overs of funds from one fiscal year to the next. In each case, forces outside higher education reduce the managerial and financial effectiveness

of institution leaders in the name of legislative intent or fiscal integrity.

In each of the four states visited, institutions have considerable autonomy in using their financial resources, even in times of budgetary difficulty. However, they are also held accountable for their managerial effectiveness. Examples of mismanagement are rare because of the quality and expectations of their leaders.

An ongoing source of contention within some states and systems involves the sharing of expensive computer resources: hardware, software, and professional staff. Does common software impinge on needed institutional flexibility and autonomy? The answer depends on the historical evolution of the relationships among institutions and their participation, over time, in the creation or selection of the resources to be used. Self-interest and autonomy vary from time to time and place to place, but bottom-up participation appears to reduce the friction.

State government has tended to resist granting significant capital budget management autonomy to systems and institutions. Exceptions have tended to be in auxiliary enterprise construction. Here, too, the hard question about pooled intellectual resources arises. Is it more efficient for system institutions to share engineering and construction planning expertise, and should each institution have its own autonomous, comprehensive office of capital construction?

- In the realm of student life, challenges to institutional autonomy also arise, particularly regarding access. Colleges and universities have jealously guarded their right to determine admission and graduation requirements. However, the development of two-year colleges has increased the controversy over articulation and the acceptance of transfer credit.[4] This issue, common to many states over the years, is a good example of the clash between public policy and institutional

[4]The term *transfer* is defined as the process by which a student moves from one institution to another. *Articulation* is defined as the administrative process of evaluating program and course comparability among institutions.

autonomy. As we shall note later, in Ohio, a state with institutional governing boards and no system structure, there is considerable public policy pressure on senior public universities to increase access for transfer students and to discourage universities from requiring students to extend their college education unreasonably.

- Similarly, in some states, coordinating or governing boards have mandated certain minimum high school course requirements for regular admission of freshmen and have prohibited degree credit for "remedial" courses, in efforts to improve overall quality and pressure the schools to improve the range and quality of their offerings. Even when representatives of institutions participate in the deliberations leading to these decisions, institutional autonomy is compromised.

- In academic affairs, governing boards have been known to place limitations on the number of credits required for the bachelor's degree and to mandate reviews of general education requirements for the institutions under their governance.

  In faculty personnel decisions, the Maine and Pennsylvania boards defer whenever possible to the institutions and their presidents, even when differences arise.

- Statewide civil service regulations (regardless of governance structures) can substantially circumscribe institutional autonomy, even in the absence of collective bargaining agreements. The impact can be felt in personnel decisions and in budget commitments for overtime, "snow days," and the like, over which the president has virtually no authority, yet for which the institution must bear the costs.

- Collective bargaining is yet another constraint upon institutional autonomy, regardless of governance structure. Most bargaining agents are part of larger, statewide, or national organizations with well-established goals, priorities, and procedures.

- Public relations, alumni\ae relations, and fund raising are particularly sensitive issues. Even meetings of chief development officers in systems to share expertise may be viewed suspiciously by presidents. As noted above, external constituents, graduates, and parents are,

quite appropriately, unaware of and indifferent to "systems" and "higher education commissions." Systemwide searches for external funding are successful only to the degree that they do not impinge on institutional "friends" and are focused on joint efforts best achieved through a collective group plan.

- State government relations and advocacy for the institution itself is frequently an area of tension. Some institution leaders are concerned about geographic polarization or alumni/ae loyalty among members of governing boards and coordinating commissions—fearing the "advantages" of the land-grant universities in the public eye. They would like to believe that the senior paid officials on system or coordinating board staffs are effective advocates for the entire structure, yet they experience great pressure from their own institution's internal constituents to "bring home the bacon."

  In most cases in systems or states where coordinating bodies have budgetary authority, presidents are expected to follow the agreed-on set of operating and capital budget priorities: if their institution is low on the list in a given year, they must hope that the situation will change to their advantage in the future. Other college and university presidents desire to lobby for system goals or budgets but feel their freedom to do so is constrained, or they fear their desire to do so will raise system office suspicions (i.e., they will be viewed instead as lobbying for their own purposes). Still others are glad not to have to lobby state government but worry that institutional autonomy may be sacrificed "for the greater good" identified by a governing or coordinating board.

Each level of administration tends to reveal an understandable reluctance to entrust decision making to the next level. Some institutions and systems succeed in wresting fiscal control from state agencies and then resist granting that same autonomy to their own branch campuses or institutions. And presidents of colleges and universities who have been granted increased fiscal flexibility and autonomy have been known to hesitate to delegate authority to others under their jurisdiction.

Summary

Institutional autonomy is, then, for most public colleges and universities an issue that is never fully resolved. For many it is a fragile right, and as many examples testify, it cannot be taken for granted. For some, state systems have increased autonomy significantly in comparison with the past. This is true, often, for former teachers colleges and for branch campuses in large universities that have now achieved institutional identities of their own. For others, such as the most visible research and land-grant universities, significant autonomy has been a fact of life, and their inclusion in systems or under powerful coordinating boards may have made them feel that increased controls have been placed upon them. And for institutions governed by their own boards, preserving autonomy is a constant struggle with the legislature or the coordinating board to resist intrusion or the establishment of a single statewide system board.

The beneficiaries of autonomy can be not only administrators, faculty members, and students but all citizens of the state. As Frank Newman emphasized in *Choosing Quality*, perhaps the best way to gain support for autonomy from intrusive controls is to be able to demonstrate, over time, the achievement of institutional quality. The challenge is to demonstrate that the institution has taken the initiative to enhance quality and to address major public policy concerns, with sensitivity to the issues confronting higher education both internally and in its social and political environment. This strategy, in which leaders of institutions explain the benefits of autonomy to state policy makers, could almost be called "reverse political intrusion." In Ohio, for example, the campuses have documented their efficiency in managing public funds (in comparison with other states) while continually showing how the existing level of autonomy allows institution heads to manage resources wisely.

In conducting this study, we have come to understand better what autonomy is, how it differs in states and structures over time, what pressures may threaten it, the compromises institutions must make within a larger, complex environment, and the value of it to the whole enterprise of public higher education in the search for quality, effectiveness, responsibility, and accountability.

Chapter 5: The College and University Presidency

The challenges confronting institutional identity and autonomy are intertwined with those confronting the presidency.[1] In the preceding chapter one might almost substitute "president" for "institution" to understand many of the complex issues facing America's college and university leaders. The education leaders of our colleges and universities, like the institutions themselves, can be held accountable only when, within policy guidelines, they have managerial autonomy to be genuine leaders who can plan and manage effectively without external intrusion. Of the many essential components of effective structures, *none is more critical than the quality of presidential leadership*. Perhaps none has faced greater challenges.

Yet as varied as the structures we have studied may be, they all have one feature in common: their quality rarely exceeds that of their institutional presidents. "One thing is clear: colleges must have presidents and it makes a great difference who they are."[2] These insightful words, written a generation ago, continue to apply today.

We can state, without equivocation, that the effective structures we have visited are characterized by a commitment to selecting quality presidents, supporting them, and rewarding their achievements. Stated another way, *the kind of environment that encourages effective presidencies coincides with all the various attributes of structures that are effective*. In each case, this principle seems to be recognized not only in theory but also in

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[1] As noted above, the institution president may be known in certain structures as a "chancellor"; for example, in the University of California and in the systems in North Carolina and Wisconsin.

[2] Harold W. Stoke, *The American College President*, quoted as the opening motto in *Presidents Make a Difference.: Strengthening Leadership in Colleges and Universities.: Report of the National Commission on Strengthening Presidential Leadership*, Clark Kerr, Chair (Washington, D.C.: Association of Governing Boards of Universities and Colleges, 1984).

practice by the structure's lay leaders, by state officials, by system heads and SHEEOs, and, above all, by the presidents themselves.

Perhaps the greatest challenge confronting presidents today is to handle declining authority amid increasing accountability as well as growing numbers of internal and external constituents, public policy issues, and pressure groups. This environment calls for special professional and diplomatic skills and personal strengths different from those required in the past. And the pallete of skills needed by an effective president in public university systems or tightly organized coordinated structures differs from that needed by presidents in states with no such structures.

The Presidency in Well-Managed Structures

As mentioned throughout this report, there is no single perfect structure. We have visited four effective, representative structures, but we cannot state that there are no problems within them. And we cannot make the case for any particular form of multi-institutional governance or coordination. However, the structures studied are effective because they have effective presidents and because

- the office of the president is respected and supported by the governing board (and by its staff leadership, if any, i.e., its system head)
- institution heads are respected as presidential, executive leaders, and *not* treated as "branch managers"
- lay leaders and the leaders and staff of systems and coordinating bodies seem to understand that if they do not respect the office of the president, then people at the institution will probably not respect it, either.[3]

Interviews with presidents in each of the four states visited perceive the institutions under their administration as having their own identity and not as branches of some larger university. They also indicated to us that they were viewed by the system head, board

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[3] "...[T]he following tend to go together: an effective board, an effective chair of the board, an effective presidency, an effective president." *Presidents Make a Difference*, p. 12.

leaders, and state officials as being in charge of their institutions with sufficient flexibility to manage their own affairs.

Although these presidents recognize that there will always be areas of friction and differences of opinion with their governing and/or coordinating boards and their chiefs of staff, they believe there is mutual respect substantial enough to keep conflicts to a minimum, thereby preserving the effectiveness of the structure. In Pennsylvania and Maine, governing board members with whom we spoke appear to hold the presidents in high regard and believe their system chancellors do, as well.

In successful systems, presidents are expected and encouraged to be effective educational planners and leaders not only at their own institutions but within the structure as a whole, and, as appropriate, at the state and national levels. Presidents are expected to balance team participation for the good of the whole with advocacy for their own institutions.

Presidents are involved in making educational policy. In attempting to distinguish between "management" and "policy" for purposes of discouraging governing board intrusion into day-to-day campus operations, higher education may be too narrowly defining the roles of presidents as "managers," unduly limiting their role as policy makers or their role as part of a policy-making team (as within a system structure). In the presidency, there should exist a fluidity between policy and management, and boards and presidents should share in policy making.

Of course, this opportunity for participation in system leadership has its advantages, but it also demands statesmanship. While presidents advocate for their universities as forcefully as possible within the system, they are expected to share in a common advocacy for system priorities with state government. Presidents and legislators both see this as a clear benefit to both groups, reducing—if not eliminating—public, destructive conflicts among regions, institutions, and their political representatives.

Presidential achievements are rewarded rather than discouraged. Because prudent fiscal and academic management and successful fund raising by presidents bring benefits, state regulations provide them with the managerial flexibility to carry out these tasks.

In each of the states visited, presidents were expected to generate and manage their resources effectively. They are allowed, with few

limitations, to reallocate funds internally within and between fiscal years. Because this advantage results more from state regulations than from governance structure, this managerial advantage is available to presidents both within systems and those, in Ohio, with separate boards. In each case private fund raising is encouraged on behalf of the individual universities. Funds raised from non-state sources do not reduce state appropriations.

Statewide and systemwide public policy development is increasingly occurring outside the institution, as ever broadening spectra and numbers of citizens participate in higher education. To some degree, at least, this trend has led to centralization of overall planning in the setting of goals and priorities. In the three states with systems, presidents are expected to contribute significantly to the development of overarching priorities and then provide institutional leadership in preparing their own plans. In Maine and Pennsylvania there are, apparently, a series of plans in a variety of areas—including accountability reporting—that fulfill from the institutional perspective broad statewide expectations.[4]

In the systems studied, the presidents seem to believe that financial and human resource management is decentralized. In both Maine and Pennsylvania, presidents' recommendations and/or decisions on faculty personnel matters appear to be respected and "final." In each case the system governing boards have developed, over time, a good understanding of their roles in policy development and system management to such a degree that they do not interfere in internal university management decisions.

In Maine and Pennsylvania, faculty members are represented by collective bargaining agents. Contracts in the two states differ significantly. Most presidents across the country would probably argue that collective bargaining significantly limits their managerial flexibility. In both states, however, because of the many years (in Pennsylvania predating the establishment of the system) of experience with collective bargaining, presidents accept the process and try to make it work effectively. In each case they seem to participate in the development of the "management's" bargaining positions before and during negotia-

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[4] In Maine and Pennsylvania, within systems, the presidents seem to believe that they made a significant contribution to the development of statewide/systemwide plans, perhaps to a greater degree, according to our perceptions, than might be the case in a state with a more decentralized structure.

tions, whether or not the final contract reflects their needs and wishes in every detail. Above all, the presidents do not view systemwide collective bargaining as an attempt by a system administration to limit their leadership but instead chose to concentrate their own roles in systemwide collective bargaining.

Presidents and system heads were in complete agreement that presidents do not report to a staff bureaucracy in a system office but, rather to the board and its chief executive officer.

The structure is *understood* by lay and paid leaders, and there are mechanisms that encourage people to work with it rather than against it. There is a commitment to identify and maximize the benefits of the structure. The structure is stable, developed over time, and perceived as an improvement over its predecessor. Presidents understand and effectively blend public policy perspectives with traditional academic aspirations.

In Pennsylvania the presidents know that the current structure greatly enhances their leadership and institutional administrative role and significantly improves efficiency in managing human and financial resources. In both Maine and Pennsylvania we sensed a spirit of comradeship. They cited many examples of the acceptance of their perspectives in system planning and management. They say the system structure gives them and their institutions collective clout at the state level as well as protection from external intrusion in the management of their universities. Some of them are relieved at not having to engage in major legislative relations efforts (leaving that task to system heads and/or SHEEOs) while others prefer greater involvement.

The presidents are also aware of the special skills they need in complex governance structures. They understand that these skills may differ from those needed by presidents who are not in systems.

Successful experience as an institution head has provided the paid leaders of multicampus governance structures with insights that further their ability to work with and gain the respect of college and university presidents. We cannot argue that the only effective system heads and SHEEOs are those with successful experience as institution presidents. Higher education has many examples, over the years, of just the opposite. However, in the three states with systems we visited, institution heads clearly believe that system heads and SHEEOs who have been institution heads are better able to empathize and understand the challenges confronting them.

Summary

In sum, we will not maintain that institution heads in the states we visited are fully satisfied with their lot as educational leaders. On the other hand, we can emphasize that in these four states the presidency is respected and not under attack, as an institution, by lay and paid leaders. A major contributing factor to effective multi-institutional structures and statewide coordination is the belief in and support for effective presidents. We might offer a rewording of two of the statements from the AGB study *Presidents Make a Difference* to summarize our observations about the critical role of the institutional presidency in contributing to effective structures and their operations and to effective leadership by system heads and SHEEOs as well.

- Public colleges and universities in systems and under statewide coordination must have effective leaders. The quality of leadership dramatically affects the effectiveness of the structure, its operations, and its other senior leaders.

- The following tend to go together: effective lay leaders, effective institution heads, effective system heads and SHEEOs, and effective systems and coordinating structures.

Part II: Structures that Work: A Closer Look at Lessons Learned from Four States

Introduction: Rationale for States Chosen

In the preceding chapters, we have referenced frequently the information and experiences gained during the site visits to the four selected states. In the next three chapters, we will take a closer look.

As noted earlier, we selected higher education structures that differed from one another but were representative of the major structures in the country.

Structures within three states—Maine, Ohio, and Pennsylvania—are comprehensively examined to help answer questions related to the success of effective organization, operation, and leadership, with the primary focus on effective governance of four-year, public higher education. In Tennessee, the review is limited to the relationship of coordination to system governance.

We conducted interviews and discussions with institution heads, governing and coordinating boards (chairs and members), elected and appointed state officials, campus union heads, board staff, system heads, SHEEOs, and representatives of the private sector, among others. (A list appears in appendix B.)

Above all, we did not view our role as that of evaluators or "accreditation" reviewers who reach value judgments about the quality of operation or adherence to a mission statement. Instead, we sought to learn and share successes and insights with others.

The sequence of the case studies does not imply value judgments of any kind. We begin with a state having a decentralized structure with an active coordinating board. As a transition to a discussion of two systems, we next examine Tennessee, which has both systems and a coordinating board.

Chapter 6
Ohio: Decentralized Governance

Ohio is one of 12 states in which the senior institutions are governed by individual governing boards. All institution heads are presidents. A statewide board, the Ohio Board of Regents, is the coordinating body for higher education. The SHEEO in Ohio is called a chancellor.

Ohio's higher education structure presents a paradigm of autonomous public and private universities and colleges coordinated by a strong state board. According to the 1988 master plan prepared by the Board of Regents, "Over 150 institutions offer higher education and are licensed or authorized to award associate or higher-level degrees in Ohio."[1]

Over the almost two centuries since Ohio became a state, 15 senior public institutions have developed, shaped by demography, educational need, and state politics. Ohio University and Miami University were "land-grant" institutions under the tradition of the Northwest Ordinance and private land gifts. The Ohio State University (originally the Ohio Agricultural and Mechanical College, chartered in 1870) received its land grant under the federal Morrill Act of 1862. Bowling Green State University and Kent State University began as normal schools, and Central State University grew from the state-supported normal school at Wilberforce. Six institutions are known as urban universities, three having once been city universities (University of Cincinnati, University of Toledo, and the University of Akron); two having their origins under private auspices (Cleveland State University and Youngstown State University); and one beginning as a branch of an older institution (Wright State University in Dayton). There are two independent medical schools: The Medical College of Ohio at Toledo

[1] *Toward the Year 2000*, Vols. I-III (Ohio Board of Regents, 1988), p. 22.

and the Northeast Ohio Universities College of Medicine. The newest, and still developing university, Shawnee State University, was created in Portsmouth out of a state community college, partly as a tribute to one of the most powerful legislators of modern times.

Each of these senior state institutions has a nine-member board appointed by the governor, with confirmation required by the senate, a pattern followed by the legislation in establishing the Board of Regents. Traditionally, each governor follows his personal predilections in choosing board members. Until the 1970s, most of the appointees were white males chosen from among the economic notables of the state, but today women and minorities also serve.

According to the Board of Regents, Ohio has 53 public, two-year campuses operating with five different arrangements. There are five community colleges, four state community colleges, 14 technical colleges, four urban university community and technical colleges, and 26 university branch campuses. Except for the university community and technical colleges and the branch campuses, each of these campuses has a board whose members are appointed by the governor and local government officials.

Over 60 private colleges and universities are less subject to regular monitoring by the Ohio Board of Regents, although they cannot initiate new degree programs without board approval. The fact that the Board of Regents has coordinating authority over all public two-year and four-year and independent institutions makes it a strong coordinating body in the eyes of most observers.

Successes

Most observers from both inside and outside the Ohio higher education structure give the results of the state's efforts relatively high marks. Enrolled students, numbering over 550,000 in fall 1991, up 19 percent in the past ten years, have geographically convenient access to a wide variety of institutions and programs.

Enrollments in the public institutions total well over 400,000, putting Ohio in seventh place among the states just as the state stands seventh in population. Some observers are disappointed, however, that as a percentage of total population, enrollments in the public institutions rank Ohio as 33rd among the states—34th if private institutions are included. No single Ohio college or university may be immediately mentioned when a short list is made of the most outstand-

ing institutions in the nation, but a good case can be made that the overall quality is very high.

Leaders in government and higher education express a high degree of satisfaction with the governance structure for public, senior institutions. Although there have been efforts to abolish the Board of Regents and impose a "superboard," and although legislators occasionally find fault with operations, for several decades there have been no serious attempts to change basic arrangement of relatively autonomous institutions working with, through, and under a well-developed coordinating board.

The decentralized structure in Ohio provides significant institutional autonomy. Ohio's public colleges and universities have been able to retain significant independence over the years in a state whose government has been active in higher education policy. When the Board of Regents was created in 1963, the senior institutions were already strong and resistent to any highly centralized board. Presidents, particularly, were supportive of the current structure when interviewed for this study. Some indicated they had been easier to recruit to their position because they reported directly to the board governing their own institution. They identify this direct relationship with institutional autonomy, which, as we have noted in this study, is a complex issue.

In our search for a stable, working, relatively successful example of a state structure with predominantly autonomous institutions, Ohio was an easy choice.[2]

Make the Structure Fit the Circumstances

The structure of governance in Ohio was appropriate for its time of creation. Its stability stems from the state's geographic distribution of political power. In the establishment and operation of the structure, legislators and higher education administrators acknowledge the importance of population distribution. There are significant population centers in every geographic region of the state (except one), which has been a key factor in the development and continuation of the public

[2] Eight of the 15 senior state universities have branches, many of substantial size, which operate under the administrative and policy direction of the institution's main campus. In spite of a certain intellectual embarrassment some presidents evidence when questioned about this anomaly, there is no move anywhere to carry the concept of autonomy to the extreme by creating free-standing institutions.

colleges and universities. Toledo in the northwest, Cleveland and Akron in the upper north central, Youngstown in the northeast, Columbus in the center, and Dayton and Cincinnati in the southwest serve as regional power bases for strong public universities. In the southeast, Ohio University has assembled a confederation of smaller cities and counties that share a sense of mountainous rural isolation and economic deprivation.

When the demand for higher education exploded because of the baby boomers of post-World War II, Ohio had a diverse set of colleges and universities—some state supported, some municipal, some private—with different missions: liberal arts, research, and career. An expansionist governor (James Rhodes) advised by a ingenious university president (John Millett) took advantage of the institutional resources, crafted a coordinating body and proceeded to make the best of log-rolling deals. Legislators in every region understood the importance of coalition to their own success.

Nor were regents, chancellors, presidents, and trustees politically naive. They respected and believed in a highly decentralized structure congruent with autonomous institutions. John Millett (who was to become the first chancellor), with the support of the Board of Regents, set the tone by developing a formula funding system that reflected policy choices but was virtually impregnable against charges of unfairness. Each succeeding chancellor has fought to protect institutions against legislative intrusion. The balance has worked among institutions and with the legislature. Local demands for special privileges, which would have been irresistible, were balanced by needs of other regions and the prospect that the precedent would have enormous costs if implemented statewide.

Whenever we spoke to presidents and state policy makers about problems (including those who had specific complaints about one or two major issues), the vast majority believed the structure was not the cause and that specific issues in question, or almost any others, could be solved within the existing structure. Indeed, some of the signal advantages we perceived within the Ohio structure could be transferred to other states.

In planning, budgeting, and approving degree programs, the Ohio Board of Regents is obligated to provide a statewide perspective. The colleges and universities press their case for more resources and freedom to do as they choose; the governor and legislators argue for access, quality, economy, efficiency, and whatever else is politically

current. Complicating the task further, individual legislators may champion the interest of an institution and press for a more particular agenda at the same time. If the Board of Regents becomes too unreservedly a champion of the institutions, it upsets the balance between advocacy for higher education and its duty to define state needs and ambitions to the legislature and governor.

Ohio's strength of postsecondary governance lies in its process of balancing. Writing the statewide master plan for higher education has evolved into a highly collaborative process involving institutional reviews as well as choices by the chancellor and regents. A state vision is developed and adopted. The institutions are then challenged to plan their own activities to fit in and contribute to the overall plan. The state does not plan in detail for institutions and then direct local administrations to implement an externally imposed format. What institutions choose to do within the boundaries given is their own response to challenge. They establish themselves as leaders or dawdlers according to their own predilections.

Even with such broad autonomy, most Ohio colleges and universities adopt strategies that lay the criticism for problems at the state doorstep. It is a defensible tactic presidents reconfirmed in interviews. There is always a need to have more funds than are available. After all, if presidents did not envision new endeavors, they would not be the imaginative leaders who are wanted and needed by society.

The Special Role of Institutional Governing Boards

Effective boards result from thoughtful selection, ability, orientation, and commitment. There is no perfect way to choose trustees. In view of the high number of posts in Ohio, the apparent general quality of board members, measured on a number of factors, speaks well for the method of their selection.

We were curious, however, when one of the trustees stated that she perceived her role as "peripheral" to the whole state structure. As we discussed this sentiment with other trustees and with others in Ohio, we encountered occasionally modulating, but substantially disconcerting, agreement. Though the boards generally meet monthly and have chosen good chief executives, their duties chiefly concern financing and capital expenditures. Even on the subject of finance, members feel they have little information about how their activities compare with those at other institutions. Only recently have they discussed academic

performance or productivity and then only in a format that may be perceived as having limited effectiveness for all of public higher education.[3]

Although the trustees can rally during times of budget cuts, they seem to accept responsibility for only a small segment of the range of their institution's activities. Not one of the small sample of board members with whom we talked could cite an occasion or an activity related to helping protect institutional autonomy. Although they might rise to the challenge should one occur, they might not be as well equipped as they should be for the role.[4] The legislators, who were interested in what universities do, asked more serious and probing questions and had greater passion for institutional performance. Too few trustees appear to have a relationship with the governor who appointed them or with the legislature that furnishes resources.

It is a tribute to the institution heads that boards have the confidence to leave things in their hands. The presidents use some individual trustees as sounding boards when issues arise and occasionally ask advice in areas of member expertise. Beyond that, the performance of institutional boards (as contrasted with the simple fact of their existence and symbolism) did not appear to be as crucial to institutional autonomy as we would have anticipated.

An attempt is underway, however, to enhance the relationship of the coordinating board with institutional boards. During our visit, the chancellor was planning sessions with the institution boards to orient trustees on the role of the Board of Regents and to educate them on state issues. Because the regents meet regularly with the presidents, it makes sense to meet also with campus trustees on some type of formal schedule, even if not as frequently as with presidents.

Autonomy, Cooperation, and Institutional Operations

Ohio's institutional autonomy as developed in the financial management of its public universities is a model for other states. Each university receives a lump-sum appropriation for operations desig-

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[3] We were told that the governor has initiated group meetings to which he has invited *exclusively* those governing board members he has appointed.

[4] We do know from other conversations that certain board members actively resisted the creation of a superboard during Governor Celeste's administration and that others have expressed recent reservations concerning the transfer of program review authority to the Board of Regents.

nated in a biennial budget recommended by the regents and governor, and established by the legislature. Each institution manages these funds, which are received in monthly allotments. All funds from tuition, fees, special charges, proprietary sources, and gifts and grants may be carried over from year to year. Reports to the Board of Regents are required, and the regents must alert the governor and legislature to any deficit operations or other unsound practices. All expenditures are subject to audit by the state auditor, and institutions are responsible and accountable for their own fiscal management.

In preparing budget recommendations for the governor, the Board of Regents utilizes the formula system mentioned above and engages in an intensive collaborative process with the institutions. After the appropriations have been made, the regents also have some responsibilities for adjusting amounts according to enrollments and other variables in the funding formula. After the fiscal year begins, however, unless there are special problems such as rescissions, which need to be made when revenues are below expectations, each institution knows what amount will be received from the state for basic operations.

The state also provides additional funds to be distributed by the Board of Regents on a grant or contract basis for special projects. One such designated program was the "Selective Excellence Program," a series of challenge grants for research and program enhancement. Ohio has been a leader in establishing incentive funding programs although some have suggested that certain programs have promised more institutional contributions to state economic development than could be delivered.

The use of formulas, lump-sum appropriations, and institutional responsibility for expenditures can offer maximum opportunity for innovation or conservatism to the institutions. There have been few improprieties, certainly no more than in a highly centralized structure. This practice, in accord with the recommendations of most students of educational administration, has worked well in Ohio and could be replicated in other states with or without governmentally autonomous institutions.

Ohio institutions are helped in cooperative endeavors through the workings of the Ohio InterUniversity Council (IUC). Created in 1939, the IUC is a voluntary organization of all public senior institutions and is located in the state capital, Columbus. It works to ensure cooperation

in senior university matters, whenever and wherever possible. Its membership consists of the presidents and one trustee of each senior institution. Six standing committees have as members senior administrative and legislative officers. The IUC has a full-time staff. Similar organizations exist in other decentralized states such as Washington, Michigan, and New Jersey.

Without question, the area in which cooperation is most necessary is state budget and appropriations. As noted earlier, Ohio institutions have had the good fortune (partially statutory and partially voluntary) of having a funding formula on which all members can agree. All the presidents with whom we spoke agreed that the formula as administered by the Board of Regents was a major reason for the large degree of institutional cooperation. The appropriation is essentially lump sum or in broad lines to each institution, subject to adjustment by the regents. When there is difficulty in holding institutions united on the formula, as has happened recently, institutional cooperation deteriorates, and as one former president told us, a risk of "Balkanization" can occur.

The Ohio arrangement minimizes political and legislative control over institutional budget decisions. Lump sum budgeting under an agreed-on formula de-politicizes the budget process. Institutions appreciate the fiscal flexibility that lump sum budgeting offers, yet see potential problems when opportunities for special line-item appropriations present themselves. Nevertheless, most Ohio higher education officials with whom we spoke believe it is critical to maintain an environment with a minimum amount of political intrusion in the budget process. Having a central coordinating body working in consultation with the institutions to present and allocate a unified budget helps prevent it.

Another aspect of the Ohio budget process that helps to insulate institutions from political intrusion is biennial budgeting. The operating budget for all state agencies is considered for two years every even-numbered year session. Consideration of the capital budget alternates with the operating budget; that is, it is considered for two years every odd-numbered year session. Multi-year or biennial budgeting could be helpful to colleges and universities in any state because it can facilitate the planning process.

What do presidents of Ohio's public universities value most in institutional autonomy? They appreciate the freedom to interact di-

rectly with the legislature, to carry over money from year to year, to have lump sum budgets, to transfer institutional and program money between categories without prior approval, and to have flexibility on capital projects using monies raised in the bond markets. In regard to the latter, even greater flexibility was being sought during our visit. Although Ohio public institutions were facing legislatively mandated caps on annual tuition increases, these measures were seen as temporary restrictions on operational autonomy. Above all, the presidents value their unrestricted access to the legislature.

Autonomy is also important in Ohio in academic program review, when incentive funding programs in "selective excellence" challenge institutions to change internally. This program is particularly popular and successful and demonstrates how incentive funding can supplement a funding formula. "The state has been responsive to the concepts of management, motivation, productivity, and organizational planning," one president affirmed. Although Board of Regents' approval is required, institutions feel they have the ability to establish new programs and consider expanded missions. Although presidents have occasionally complained about the Board of Regents decisions, they do not see them as overly intrusive or regulatory.

Some presidents do feel, however, that because of state resource limitations, the Board of Regents will be forced to decide which senior institutions will be designated as research institutions. This would result in a scaling back of the ambitions of other institutions, nearly all of which offer doctoral programs and conduct research. If there is an issue on the minds of all higher education leaders in Ohio, it is this.

On occasion autonomy has prompted institutions to defend some of their traditional prerogatives until these practices were seen as disregarding the needs of the clients whom institutions were serving. One example was the right of colleges to evaluate the credits students wished to transfer from other colleges. Students and their parents often complained that credits earned at the community colleges were not acceptable for degree credit at universities to which they wished to transfer. The fact that there were few of these cases made the failure to develop a process for transfer all the more unfortunate.

Historically, the Board of Regents has tried to placate all parties. Some universities have developed special information sheets indicating to two-year college students what courses would transfer in certain programs. But not all the state-supported institutions sympathized or

participated. Eventually the legislature intervened and directed the Board of Regents to develop a statewide policy on articulation. The direct implication of such legislative action is a temporary, if not permanent, constriction of institutional autonomy. It speaks to the need for institutions in any structure to initiate the search for solutions to internal problems in order to avoid unnecessary legislative involvement.

Easing the Tensions in a Decentralized Structure

In each state we visited, the effectiveness of the higher education structure depended partly on maintaining a fine balance between freedom and responsibility (autonomy and accountability) in anticipating and responding to public policy demands through local initiative. The appropriate balance between state coordination and institutional autonomy in all states, but particularly states that are decentralized, must be found and accepted by all constituents if state higher education is to maintain broad public support. From what we learned in Ohio, creative ideas and responses of recent years have come from both the presidents' offices and from the chancellor's office.

In a decentralized structure, voluntary cooperation and a shared (but not identical) academic vision among presidents of public universities are essential in responding to major public policy issues. In our visit, all individuals whom we encountered understood the concept of autonomy and its centrality to the higher education structure. Even individuals critical of particular aspects of Ohio higher education did not see the governance structure as the problem. This was especially true with the vast majority of the legislators with whom we spoke. Furthermore, all believed that the governance structure provided the tools by which particular issues could be addressed. (This fact is not to be taken lightly and it speaks volumes to the history and success of the structure.)

Summary

From the experiences of Ohio and other states with similar structures can be distilled certain criteria for success:

- A high-quality board of trustees at each institution in a decentralized structure is essential. If having separate boards is considered integral to having an autonomous structure and in preventing centralized,

"top-down" control, these boards must be effective and function at a high level. Institutions cannot be only "presidentially driven," and campus boards must not feel "peripheral" to the state structure. They must clearly understand their role in relation to the statewide coordinating board. They must address substantive policy issues and be given the opportunity by presidents and board secretaries to be involved with the institutions they govern.

The quality of the decision-making governing board can spell success or failure for any academic enterprise. Whether the board governs a system or a single institution, the caliber of its leadership is all important. The board not only selects a president but is his or her most important constituency in providing support, guidance, advocacy, and the public's perspectives. This is especially true in a decentralized environment.

- By the very nature of their positions as "outside insiders," trustees can fulfill the role of "critical lovers" that John Gardner described as important to the health of organizations. Trustees can forcefully bring the insights of their own professions, the concerns of people with whom they are regularly in contact, and a healthy skepticism to an institution's contention that nothing can be improved. They must bring to all—administrators and faculty members alike—a clear understanding that they share in the success of the organization.

- The presidents of institutions in a decentralized state structure must be excellent managers. They do not have the "protection" of a system structure, and if their career choices are any indication, they wouldn't want such protection. Presidents must function in an ambiguous environment that is simultaneously cooperative and competitive. Therefore they must be politically active and astute.

- A funding formula process can easily lose meaning and political support during times of budget reductions. It is at this juncture that voluntary cooperation requires all of the energy higher education can muster. In any state having diverse constituents, the balancing of regional needs may ultimately occur in the legislature and outcomes may not always be equitable. Concerns about the funding process must be resolved cooperatively by the institutions and coordinating

board to prevent unnecessary involvement by executive or legislative offices. The legislature and the executive budget office must, however, understand and be kept informed of any change in the process of lump sum budgeting and formula funding as it occurs between boards and institutions if they are to be expected to continue support for the process.

- The need for voluntary cooperation is heightened in a state with a decentralized structure. Presidents and vice presidents (and we believe institutional boards, as well) in successful and effective states work together whenever possible to achieve common goals. Cooperation can include voluntary sharing of programs and resources. Interinstitutional competition is not absent under voluntary cooperation and most certainly, competition among institutions with individual boards is desirable to some degree. An effective coordinating body can facilitate cooperation.

- The pressing issues so many states face that have become a permanent part of the agenda of national state-based organizations underscore the central role public higher education must play in addressing state problems. Some of these issues require creative solutions and new partnerships between state government and higher education. Others may be too contentious for resolution anytime soon. Whatever the case, the state higher education community must be responsible for maintaining a statewide perspective not only on state issues but also on national issues that affect state affairs. In a state where the higher education structure is decentralized and no one person reigns supreme, the SHEEO, the institution head who is chair of the voluntary coordinating organization of state institutions, or the staff director of that organization must maintain such a perspective. Likewise, the institution heads themselves, while pursuing institutional goals, must, when appropriate and possible, concurrently identify and respond to state goals and issues.

- In states with institutional boards and a coordinating body, the balance between freedom and responsibility (or autonomy and accountability) can be attained, in part, through a responsible coordinating body's role of intermediary between higher education and

state government. Some persons criticize the Ohio Board of Regents as being too much an advocate for higher education. Others see it as helping to set critical directions for higher education. In any case, its intermediary position is delicate.

- To be effective, the coordinating board staff must work closely with the governor, legislature, and institution heads while the board itself can remain independent. Likewise, all effective coordinating bodies must balance state needs with institutional needs. The Ohio experience can be applied to other coordinating boards with or without systems. A board that tries to be persuasive can fail when it becomes too directive. An effective coordinating board (and we believe the Ohio board is such) has its ear to the ground, is alert to emerging issues, decides the critical directions higher education must undertake (sometimes through master planning), and persuades higher education (sometimes with incentives) to pursue that agenda. Demands for accountability from the legislature during budget-cutting times are likely to increase;[5] the coordinating board must anticipate this and coordinate, if necessary, the required institutional responses.

- The coordinating board can be the lightning rod to absorb and disperse much legislative criticism of higher education. It sits in the state capital, may have many of the most prestigious appointments to it, and is probably the most visible higher education board to the public at large and state policy makers.

  It is not uncommon in a number of states—as in Ohio—that many in the legislature think a stronger coordinating board could do a better job of handling particular issues of controversy such as school-college collaboration, institutional ambitions about missions, articulation and transfer policies, and faculty productivity. On the other hand, some argue that no coordinating board at all would be preferable. As a veteran Ohio legislator confided, "The legislature is fickle about the Board of Regents: one day they want to abolish it, and the next day they want to strengthen it." This ambivalence is present in

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[5] Indeed, as we were in Ohio, we learned of the creation of "The Task Force on Managing for the Future," created by the governor but under the guise of the Board of Regents and charged with examining faculty workloads, program duplication, and other management and efficiency issues.

many other states where coordinating boards or statewide governing boards were created, in part, to distance the legislature from having to make controversial or overt, politically intrusive decisions.[6]

Which argument institution heads support may be determined by various factors. Many would prefer to see a weaker coordinating board. But because the idea for statewide heterogeneous governing boards is often floated in state houses, a compromise is often struck that results in the continuation of institutional boards but with strengthened coordination.

- Increasing communication between all boards is desirable. The initiative to do so can emanate from anyone or any group: a voluntary organization, the coordinating board, a council of presidents. Regardless, the support and involvement of institution heads is essential.

[6] We would be remiss if we did not note that the Board of Regents does have two state legislators as ex-officio members—by law, the chairs of the house and senate education committees.

Chapter 7
Tennessee: Coordination and Public University Systems

In Tennessee we studied a well-regarded coordinating board with significant statutory powers and its relationships with two large public university systems and with state government. What were the factors of leadership, organization, and operation responsible for its good reputation?

Tennessee attracted us for several reasons.

- Higher education leaders have developed several nationally recognized and frequently emulated initiatives, such as the "Performance Funding" program and the "Tennessee Chairs of Excellence" program (which has encouraged collaboration by government, institutions, and the private sector to bring eminent scholars to the state's public universities).

- The structure has been operating for a generation, which allows ample time for initial problems to have been resolved. In general, state government and public higher education understand and accept the structure, with its division of responsibilities, its processes, and its decisions.

- The structure is a successful example of a prototypical postsecondary education structure—namely, a coordinating body with significant authority in planning; approval of missions, programs, and operating and capital budgets of state systems and institutions; and oversight of state scholarship programs and of proprietary schools. About a third of the states have a form of this general arrangement.

- Tennessee's public postsecondary education structure faces many of the challenges confronting other states, including state financial

difficulties (which make it difficult for public higher education to maintain or enhance many of its current initiatives for access and quality), special regional and institutional loyalties (which can strain the established objectivity and vision expected in a statewide coordinating structure), and conflicting expectations to fund both enrollment growth and expensive graduate and professional study and research.

In the past quarter-century, significant structural development and impressive programmatic initiatives have occurred:

- The Tennessee Higher Education Commission (THEC) was created in 1967 by statute. This step apparently resulted from concerns among several leading educators who believed, as postsecondary education was expanding, that intense lobbying by a number of individual institutions was not desirable and that a cooperative approach to state government would produce greater benefits and be in their best interests.[1]

- Two years later, the multicampus University of Tennessee (UT) System established its current governance structure.

- In 1972 the State Board of Regents (BoR) was created to govern the state universities and the two-year colleges. In 1983 the 26 non-degree-granting technical institutes and area vocational schools became part of the BoR System.[2]

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[1] Senior administrative staff members from *both* systems with whom we spoke appeared to agree that in the mid-1960s the leaders of the University of Tennessee encouraged the creation of a coordinating body.

[2] Public postsecondary education is organized within two systems. The UT System trustees govern the University of Tennessee at Knoxville (UTK), the University of Tennessee at Chattanooga, the University of Tennessee at Martin, the University of Tennessee at Memphis (with a focus on the health sciences), the University of Tennessee Space Institute, and the Institutes for Agriculture and Public Service. UT Chattanooga and UT Martin do not offer doctorates. Although, in terms of number of students enrolled, the smaller of the two systems, its statewide land-grant mission and the high regard in which the UTK is held ensure it high visibility and support. The system head is a president, and the campuses are led by chancellors.

The Tennessee Board of Regents (BoR) governs Austin Peay State University, East Tennessee State University, Memphis State University, Middle Tennessee State University, Tennessee State University (an 1890 land-grant institution), and Tennessee Technological University; Memphis State and Tennessee Tech offer many doctoral degrees and are more research oriented than are other BoR universities. In addition, the BoR governs 12 community colleges, two technical institutes, and 26 non-degree-granting area vocational-technical schools. The system head is a chancellor, and the institutions are led by presidents.

- In 1973 the first statewide master plan for higher education was adopted.

- In 1980 the Performance Funding Program became the first statewide program in the nation to provide incentives for improving quality.

- In 1984 the General Assembly established the "Chairs of Excellence Program" for distinguished scholars and the "Academic Scholars Program" for outstanding Tennessee high school students. It also funded the "Centers of Excellence Program" to emphasize the most outstanding academic programs. Two years later, this program was expanded to include two-year colleges.

Structures and Duties

The lay leadership of the THEC consists of nine citizens, one from each Congressional district, appointed by the governor for six-year terms.[3] The Commission has neither standing committees for the usual operational areas nor faculty[4] or student members because, as a former chair indicated, it wishes to avoid becoming involved in disputes among its "internal" constituents. THEC officers act as an executive committee between regular Commission meetings, but all their decisions are subject to the approval of the entire Commission. The chief of staff to the Commission is an executive director, the SHEEO, who serves at the Commission's pleasure.[5]

To encourage a broad view of educational issues at all levels, the executive director of the State Board of Education serves as an *ex officio*, non-voting member; the THEC executive director serves in the same capacity on the State Board of Education. In addition, the THEC executive director serves as an *ex officio*, non-voting member of the two system governing boards.[6] The State Board of Education and the THEC

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[3]Until the mid-1980s, when they were shortened to the current length for the THEC and the two systems, terms were for nine years, as were those for Regents and UT Trustees.

[4]Each system has a faculty senate, in addition to a statewide faculty senate whose task is to share information. The THEC has, as noted, no formal relationship with any of these faculty bodies.

[5]Governors have shown considerable interest in the appointments of the SHEEO and the two system heads and, in general, less in the appointments of the institution heads.

[6]In addition, the Commissioner of Education (for K-12) and the Commissioner of Agriculture serve as *ex officio* voting members of both system governing boards.

are required to hold at least one joint meeting annually and to issue a joint annual report on education in the state.

The governor is an *ex officio* member of the UT Trustees and the State Board of Regents and has always been elected chair of each although he does not attend their meetings regularly. The governor is not a member of the THEC. Except for these three state officials, no other state employees serve on any of the three lay higher education bodies.[7]

The nine senior public universities in the two systems enroll over 100,000 students, with the largest component—25,000—at the flagship campus, the University of Tennessee at Knoxville (UTK). Total enrollment in all of the state's public institutions is about 200,000 (including the 14 two-year institutions and the 26 area vocational-technical schools).

The THEC's statutory functions cover all levels of public postsecondary education, from the non-degree vocational and technical schools to the land-grant university at Knoxville and the two medical schools (one in each system). As a coordinating body, it plays no role in the personnel decisions of the systems and their institutions, and the THEC and its staff have tried over the years to separate coordination from governance. Although there may be some overlap in these functions, the THEC has tried to avoid interaction with individual institutions in the systems. The THEC's general responsibilities are

- coordinating and planning for all public institutions (taking into account the private colleges and universities), mediating between the two systems and between them and state government, and preparing five-year master plans with annual updates, in the process raising questions and issues that the systems should address

- reviewing and approving all proposals for new programs and degrees[8]

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[7]An additional state agency serving the needs of the state's students (for all state and federal student aid programs) is the Tennessee Student Assistance Corporation (TSAC). The governor is elected chair, and the executive director of the THEC is elected vice chair. Because the governor does not attend, the executive director of the THEC presides. The THEC recommends the TSAC budget along with the total higher education budget.

[8]Senior BoR system staff members noted that this duty was related to the THEC's obligation to avoid program duplication.

- reviewing and recommending to state government the operating and capital budgets (including the management of a sophisticated operating formula funding process and priorities for facilities construction)

- providing data and information for two systems[9] and to the executive and legislative branches of state government while not actually becoming part of either branch

- overseeing progress in the state's higher education desegregation efforts

- evaluating the performance of institutions according to objective measures, which are totaled and used to fund up to 5.5 percent of institutional budgets within the guidelines of the Performance Funding Program.

In conducting these activities, the two former Commission chairs with whom we spoke, as well as the current and the first SHEEO, seemed fully aware of their responsibility to convey the perspectives of state government and higher education to each other. In particular, these executive directors believed they had been able to represent all of higher education (not just any single sector or unit) as part of the overall planning vision in their advocacy to state government. The senior system staff members and institution heads with whom we spoke seemed comfortable with the advocacy role played by the THEC staff while also reaffirming the right of the systems to press their case(s) to state government.

Senior administrators in both systems and at the THEC all agreed that two elements essential to an effective structure are communication and consultation. The SHEEO and system heads meet eight to ten times annually to review matters of common concern *before* recommendations are discussed in public. Similarly, the senior system staff

[9]Senior system staff members from the BoR agreed with the insistence of the THEC on standardized data on students to provide consistency of information to internal and external constituents.

officers meet with their counterparts in the THEC, and the chief financial officer of the THEC apparently visits many of the institutions frequently, in particular to gain firsthand knowledge of their capital project needs.

Planning

In *planning* the most contentious subject tends to be the review of institutional mission statements, which form the basis for approval or disapproval of new programs. In preparing its most recent plan, the THEC enlisted the participation of four UT Trustees and four Regents, supported by the academic professional staff of each system and coordinated by the executive director of the Commission. The goal has been to encourage early consultation and participation in order to arrive at an overall consensus.

As part of this planning effort, the THEC has urged institutions to focus their missions carefully. For example, because of an agreement between the THEC and the UT System, and as part of a statewide commitment to the enhancement of quality, the flagship status of the UTK was reaffirmed by holding the University's operating budget harmless despite a modest reduction in enrollment. In turn, greater emphasis was placed on articulation agreements for transfer students within public higher education to continue to ensure access.

Although the THEC must grant approval for any new degree programs, it does *not* have authority to terminate programs. Some state government personnel believe the coordinating body should have this power, as well. The THEC does identify certain programs for review by the respective system governing boards for possible deletion. The educators with whom we spoke, while supportive of the theory and practice of coordination in Tennessee, pointed out that each system board had been vigorous in eliminating programs. They argued persuasively that program deletion is a *governance* function because implementation decisions can affect enrolled students and faculty contractual arrangements.

Budgets

Probably the most detailed and extensive activity of the THEC lies in reviewing and recommending operating and capital budgets. It is not surprising that this is a contentious subject because of the many pressing problems confronting the state, its geographic regions, and

postsecondary education. Despite disagreement on issues, the various THEC constituents accept the structure and believe in the integrity and ability of the THEC to give issues a fair hearing and discussion before taking public action.

The *operating budget process* and its underlying principles are generally accepted by the systems and by the leadership of the executive and legislative branches of state government. The operating budget is based on a formula, developed by the THEC staff, which aims for *equity* (if not equality) based on mission and peer institutions.[10] Special initiatives, for example, for "Performance Funding" and "Centers of Excellence," among other programs, are proposed by the THEC, in addition to formula allocations.

Institution and system office operating budgets are presented by the two systems for THEC review. Public hearings are held, preceded by consultation between each system and the THEC staff. These hearings, at which legislators have appeared, replace to a considerable degree extensive budget hearings in the two branches of state government.[11] The THEC forwards a unified budget request to the governor whose staff reviews the proposals.[12] The governor then forwards his proposals to the General Assembly. The THEC staff then works closely with the General Assembly to try to gain maximum financial support and to enlist unified support from the systems. Both systems have substantial interaction with and access to the legislature.

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[10]Interestingly enough, the senior staff members of the BoR system, whose operating budget support per student is significantly lower than that of the UT system, accepted the concept of the difference even if they believed their allocation should be higher. Those with whom we spoke from the executive and legislative branches and from the staffs of the THEC and both systems all agreed that tension was increasing because of the disproportionate enrollment growth in the two-year institutions under the governance of the BoR. This tension between quality and access was being exacerbated by the state's financial difficulties, yet no one appeared to view this problem as the fault of either the structure or its leadership.

[11]Legislative committee leaders with whom we spoke seemed satisfied with the THEC review as being virtually their own staff review and, therefore, apparently did not require extensive hearings of their own.

[12]Typically, the two system heads and the THEC executive director meet with the governor to present this unified operating and capital budget. The unified budget prioritizes capital outlay projects but also notes the priorities of each system.

In Tennessee we perceived that legislators and the governor's staff were aware of the detailed budget requests of the two systems that earlier had been presented to the THEC for inclusion in the unified budget.

One activity in which the border between coordination and governance blurs is the establishment of tuition, which in Tennessee is called the "maintenance fee." Although the two governing boards set this fee (along with local fees for auxiliary enterprises), the THEC operating budget recommendations are based on specific maintenance fee assumptions,[13] thus effectively limiting the governing boards' margin of discretion. This practice resembles other states with strong coordinating bodies, which may "cap" rates of tuition increases, for example.

Appropriations for operations are allocated as a lump sum to the institutions (not to the THEC or to the systems on behalf of and for the institutions) except for individually identified special initiatives (including, but not limited to, appropriations for physical plant maintenance), which must be spent for that purpose. Institution heads must present their operating budget plans to their system governing boards, are accountable for management of the funds, and have the right to carry over appropriated funds from one fiscal year to the next. The THEC reviews the institutions' operating budget plans and reports on them to the General Assembly.

We found general agreement that the *capital budget* was the area of greatest tension within higher education and among the state political leaders, as well.

Each institution is expected to develop a campus master plan and to update it regularly as the basis for its capital budget requests. The THEC financial staff visits campuses throughout Tennessee to help them establish priorities.

- The first part is the maintenance budget, usually consisting of items under $100,000, occasionally reaching $1 million. The total annual appropriation is usually between $10 and $11 million, but it has sometimes reached $13 million. There is no formula.

- The second and more controversial part covers construction and major renovation. The budgetary priorities of each system are re-

[13] By statute the THEC *recommends* fees, and the system governing boards *set* them.

viewed and interwoven in a single priority list presented by the THEC staff to the Commission and from the Commission to state government.[14]

In general, the THEC staff of almost 30 professionals is highly regarded by both its external and internal constituencies because of the stability of its membership and their integrity and competence. The legislators with whom we spoke believed that a well-functioning coordinating body shielded them from many pressures and made the work of the General Assembly "more rational," as one senior state senator put it. Among education leaders and state officials there was a general opinion that the prior experience of the SHEEO as a university president gave him a particularly valuable perspective on issues and credibility with other education leaders.

When conducting studies and drafting position papers for the Commission—such as the statewide master plan or justifications for developing off-campus programs (such as educational television)—the THEC staff tends to use special task forces of lay and paid leaders from the systems.

Summary

We found widespread agreement both within higher education and among state government leaders that the structure is appropriate for Tennessee and can help the state meet the educational needs of its citizens. In addition, there was consensus that the quality and integrity of lay and paid leaders is essential to the success of any organization. Structure and process—and the results of both under effective leadership—appeared to reassure participants that the needs of the people and of higher education were being addressed effectively.

The statutes that had created the structure seemed to clarify for all participants the duties and accountability of the coordinating commission, the system governing boards, and their staffs. In spite of disagreements, no legislation to alter the current structure has gained any political support. Although there has been some discussion of the

[14]Controversies may occur as lay board and legislator loyalties to institutions and regions arise. The order in which the THEC integrates the recommendations from each system into one list can be controversial. Even more controversial are any THEC decisions that alter the priorities of the systems and their boards.

desirability of creating a single "superboard" to govern and coordinate all the state's postsecondary education, there appears to be agreement that such a change would neither save money nor improve effectiveness of management or education.

The educators with whom we spoke believed that in Tennessee, at least, statewide coordination was still necessary to reduce the need for institutional lobbying with state government and to provide an objective, impartial, and fair forum for airing important public policy and educational issues. There was agreement that the THEC was an effective advocate for higher education and "watchdog" for state government, stimulating educators and their systems to undertake tasks that, because of internal pressures, they might hesitate to initiate themselves. The development and use of operating budget formulas appeared to satisfy the criteria of objectivity, equity, and fairness even if each system believed that adjustments were needed. There was consensus that a unified approach by all of higher education to state government, with coordinating and planning decisions reached by fellow educators, had the best prospects for support by state officials.

State government officials (elected and appointed) believed that the Tennessee structure, which combines system governance and overall coordination, and its leadership, offered them the staff support they needed to reach rational decisions while also relieving them of involvement in higher education's internal operations and shielding them from divisive public disputes along geographic or narrowly partisan lines.

Above all, there seemed to be a high level of respect for the quality of the paid and lay leaders because of their honesty, integrity, impartiality, open communication, low turnover, and successful campus experience. Communication, consultation, and participation were frequently mentioned, as well. Frequently cited were the efforts by the SHEEO and the other THEC staff to resolve differences and to share information and perspectives *before* public recommendations and decisions were reached. There was general pride in the participation of lay and paid leaders from the systems in preparation of the statewide master plan. Such communication and consultation were deemed critical in preventing destructive tensions between the duties of coordination and governance assigned to different lay bodies and their staffs.

Also instrumental was the support of the University of Tennessee System in the creation and continuation of the Tennessee Higher Education Commission. Often, bitter conflicts exist between flagship institutions and coordinating boards. This is not the case in Tennessee. Some critics from the BoR would even argue that THEC tilts too often in favor of UT-Knoxville at the expense of BoR institutions.

Conflicts in Tennessee do exist and have sometimes been intense. But the structure has survived intact. In other words, it was strong enough and had the support of policy makers to be able to survive changes in personnel. Regional differences, primarily between interests in eastern and western Tennessee, are large and often reflected in higher education conflicts. But again, the structure has been able to manage these conflicts through the efforts of THEC and the two system governing boards.

The threat of political intrusion is also present but never appears significant enough to weaken the structure. The governor, chair of the two governing boards, can play a major role in virtually any issue before the two systems, including the selection of system heads and institution heads. Both the current and past governor[15] have been active in shaping higher education policy and in exerting political pressure for change. And as noted earlier, THEC commissioners have been known to bow to regionalism and requests by legislators to re-order THEC staff rankings of capital projects.

A mature structure can survive these conflicts and threats of intrusion. Over the past 25 years the Tennessee structure has developed into an effective relationship between governance and coordination.

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[15]Lamar Alexander later became president of the University of Tennessee System and then U.S. Secretary of Education.

Chapter 8
The Maine and Pennsylvania Public University Systems

Structure and History

Public university or statewide systems, heterogeneous or homogeneous, encounter a number of challenges. Higher education faces growing pressures to respond to new demands from state government—such as improving the "competitiveness" of the state economy and responding to new educational needs of citizens, including retraining the current work force, all with limited fiscal resources. Conflicting demands and expectations abound. Systems become the focal point for many of these pressures, just as coordinating bodies may be also.

Lay and paid leaders are pressured to achieve more with fewer resources. They are to guarantee open communication and demonstrate organizational effectiveness in their accountability reports. Their integrity, competence, and vision are demanded even as they must forge consensus and the wisest compromises in highly charged political environments. The distinctiveness of institutional identity and autonomy are to be fostered while major social, educational, and economic issues are to be anticipated and resolved.

The shortcomings of systems are written about by passionate and dispassionate observers and discussed by institution heads and other senior-level campus administrators. The latter frequently criticize systems, citing examples of intrusion, over-regulation, the bureaucracy of "bloated" central administrations, and domineering system heads. Some of these charges are inflated, others may be valid.

Governance by system is a fact of life in public higher education. Roughly two-thirds of the nation's 586 public senior institutions function within a system of some type. Given that fact, for the sake of many students, faculty members, and administrators, systems must function effectively. Those that do not or are unable to demonstrate their own

"value added" to education for the state's citizens will be dissolved or reconstituted.

Based on the history of the rationales for the creation of the Maine and Pennsylvania systems, it appears that the sponsors of the legislation may have had similar goals in mind, even if their motivations had different origins. Apparently, the objective in both cases was to grant noteworthy authority to a lay governing board and thereby provide major segments of public senior higher education with significant autonomy, separating them from the regulatory control and preaudit oversight of state government. The purpose was to increase managerial effectiveness in higher education leaders by helping them achieve major public and educational goals of increased quality, access, and efficiency.

In Pennsylvania, as noted, we focused on the structure, operations, and leadership of the State System of Higher Education (SSHE), its internal relations and its interaction with state government; we consciously chose to exclude the other public universities. We chose a system that is representative of a number of such systems in the United States and one that we believe functions effectively.

The Pennsylvania State System of Higher Education consists of relatively *homogeneous* institutions. Created in 1982, it united 14 institutions with a common heritage—13 state colleges and one university offering doctoral programs—into one state system.[1] The universities, located throughout the state (although not within its two major cities—Pittsburgh and Philadelphia) enroll just under 100,000 students. By number of institutions governed, it is the fourth largest system in the country.

Before creation of the system, the 14 institutions operated under the jurisdiction of the Secretary of Education in a structure not unlike that of many former teachers colleges. Each institution had its own local board, but major decisions on governance and state policy came under the purview of the Secretary of Education. Most major manage-

[1]The institutions are Bloomsburg University, California University, Cheyney University, Clarion University, East Stroudsburg University, Edinboro University, Indiana University, Kutztown University, Lock Haven University, Mansfield University, Millersville University, Shippensburg University, Slippery Rock University, and West Chester University. (The full names of all 14 also carry the words "of Pennsylvania.") Indiana University offered doctoral programs before the consolidation.

rial decisions, such as pre- and post-audits, were made in the state capital, Harrisburg.

The creation of the SSHE in 1982 reflected a broad awareness of the great strides these 14 institutions had made in their academic quality and in the breadth of their degree programs; they had become mature, comprehensive universities. A managerial structure dating from the institutions' days as primarily single-focus colleges was replaced by a statewide Board of Governors having primary coordination and governance responsibility for the 14 institutions. Local Councils of Trustees remained but with statutorily circumscribed powers. Most significantly, the Board of Governors and the universities were granted major governance and managerial responsibilities.

Faculty members, administrators, and elected state officials with whom we spoke were of one mind that the reorganization has led to enhanced academic quality and overall institutional effectiveness. However, it was not only the legislatively created reorganization that achieved these results, but also the leadership skill and energy of a number of key individuals. From them we gained valuable insights into how an effective system develops and operates.

An examination of effective systems should also include one that contains *heterogeneous* institutions and coordinates and governs virtually all senior public institutions in a state. The University of Maine System represents such a system, uniting seven institutions, including all but one of the senior institutions of public higher education in the state: the Maine Maritime Academy (a special-purpose institution) operates under a separate board.[2]

The University of Maine System was created in 1968. It consolidated under one board seven institutions (some with branch campuses): the former state teachers colleges (which had been under jurisdiction of the Department of Education); the University of Maine at Portland; the University of Maine at Augusta (a two-year institution); and the University of Maine (the flagship-research institution) at

[2] The two-year, technical-vocational schools are not part of the university system.

Orono.[3] Legislators believed that having a single board for all the campuses would improve quality and increase accountability and efficiency.

The experiences of the University of Maine System offer several insights that seem broadly applicable, despite its modest enrollment of about 35,000. Its seven institutions range from a two-year to a research university. Indeed, the number of institutions within a system and their dispersion throughout the state—rather than enrollment—may more accurately reflect the complexity of the challenges facing it. The ways in which this system has handled the complexities inherent in a statewide heterogeneous structure appear instructive.

In both the Pennsylvania State System of Higher Education and the University of Maine System, the system is headed by a chancellor and the constituent universities by presidents. The absence of a statewide coordinating body for postsecondary education in Maine has led to the system's assuming both coordinating and governance responsibilities for the universities under its control. This is largely the case for the Pennsylvania SSHE, as well, although a cabinet-level Secretary of Education retains minimal coordinating authority specified in statute.

Leadership Qualities, Challenges, Achievements

Higher education is "people business." Its greatest resources are without a doubt its human ones. In any structure or organization the people, in particular, the leaders, make the difference. Effective lay and paid leaders can achieve at least moderate success that even in a poorly conceived structure that discourages creativity. But even the best

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[3]Today the system consists of the University of Maine at Farmington, the University of Maine at Fort Kent, the University of Maine at Presque Isle, the University of Maine at Machias, the University of Maine at Augusta, the University of Maine (in Orono), and the University of Southern Maine. Institutions in the University of Maine System do not have local boards.

The University of Southern Maine is, itself, a merger of Gorham State College with the University of Maine at Portland to which a law school has been added. For many years, as it struggled to become not only *de jura* but also *de facto* one institution, it was known as the "University of Maine at Portland-Gorham" or "Po-Go." The system contended for a number of years not only with the creation of a new structure but also with a difficult institutional merger meant to create a new university. A third USM campus was later added at Lewiston-Auburn.

structure cannot thrive with inept, indolent, and improperly motivated leaders.

Internal and external constituents in the four states identified the following characteristics as essential to successful leadership:

- knowledge of issues and vision
- patience and a good sense of timing
- diplomacy
- integrity with no "personal agenda"
- hard work
- commitment to quality
- sensitivity to and understanding of both the structure (and its components) and the perspectives of other constituents.

Lay Leaders and Boards

The quality and effectiveness of the system governing board members and, above all, its chair largely determine the effectiveness of the system, just as they do in the governance of individual colleges and universities. When, in *The Guardians*, Kerr and Gade examine the work of members of governing boards in both individual institutions and in systems, they may have focused more on the major problems facing lay board members and institutions within systems than on those factors and possibilities that can enhance their effectiveness.

It strikes us that system governing boards are characterized by the stability and quality of their leadership; their pride in their people, and institutions; and the development, over time, of an *esprit de corps* relatively unhampered by compulsion to represent special interests.

Observers and critics have raised a number of challenges and complaints when commenting on the effectiveness of public colleges and universities but have given less attention, until recently, to the quality and effectiveness of governing boards. To be sure, publicly governed colleges and universities are expected to achieve quality and effectiveness but often with limited or reduced levels of funding. They are to be increasingly accountable to their many constituencies. Presidents and chancellors—as they should be—receive constant appeals for improvement. Faculty members are urged to be better teachers, to devote more attention to the needs of their students, and to increase their productivity. Athletic departments are expected to support more vigorously the academic development of their students.

However, as the Association of Governing Boards of Universities and Colleges (AGB) and other observers increasingly emphasize, trustees and members of other public lay boards have all too often been ignored in the calls for increased quality, renewal, and responsiveness to widely held public and social policy concerns. Yet lay leaders are the constituency that can most effectively bridge the internal and external life of public colleges and universities. They are the leaders who are expected, by law, to provide oversight in planning, to insist on enhanced academic quality and managerial effectiveness, and to bring public policy concerns to the attention of the academy—as well as to be education's advocates.

Lay leaders should enjoy, of course, the respect of the public and understand, be sensitive to, and respect the political process. Boards of public systems and institutions are political, an undeniable fact of life because the selection process for their membership is often political. Board meetings themselves are frequently political. But in the Maine and Pennsylvania systems the boards are not immobilized by political considerations and are, therefore, able to take effective action. *Political* does not mean *partisan*.

Board members, regardless of background, who understand the political processes and issues in the organization's environment can be effective bridges between education and government, especially if they can anticipate and articulate emerging issues that affect higher education and that higher education must address. Of course, a history of highly partisan political enmity with important elected leaders of the executive or legislative branches may be a hindrance.

In Maine, an awareness of the desirable arm's-length relationship between state government and higher education was, apparently, a motivating factor in the creation of the system. To this day there is a feeling that, to some degree, the system was established to remove the legislature from a *de facto* role as governing board of the university. Responsibility for higher education decisions was deliberately vested in a public corporation headed by people free from the pressures of elective office who could focus their concerns on serving educational needs of the people of Maine.

In public higher education, members of governing boards are sensitive to many internal and external influences, but they certainly cannot ignore the influence of the group(s) who have elected them, the public at large (in the case of elected boards), and/or the governor and

legislature. Lay board members are usually chosen in one of two ways: selection by the governor (often confirmed by the legislature); or election by the people.[4] In either case, as efforts have been made to increase the economic, ethnic, and gender diversity of public boards, board members frequently ponder the degree to which they should "represent" their electorate or their particular region, university, gender, or ethnic group.

Geographic loyalties can be a major factor in the deliberations and decisions of system board members. In Maine, the state population size and isolation of some of the population groups called for the dispersal of small colleges to serve both area learners and, as is publicly admitted, regional economies. Each college became, and to a degree remains, a regional cultural and economic center. Although powerful telecommunication networks may expand the availability of courses and other intellectual offerings, campuses themselves serve as community hubs.

What impressed us particularly about the current and former members of the Maine Board of Trustees was their ability to set aside narrow regional allegiances and assume a systemwide and statewide vision and allegiance. How is this accomplished? One route is the cultivation of an *esprit de corps* that is indoctrinated in new members. This compelling vision persuades busy and influential citizens to devote their time, energy, and personal resources *pro bono* to trusteeship.

This is not to argue that supporters of a governing board holding a broad systemwide or statewide vision view all regional perspectives negatively. When a recent budget crisis prompted discussion of closure of institutions, regional alliances held together to resist such cuts.

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[4]AGB has developed a series of guidelines to help state leaders improve the process for recruitment and selection, whether board members are elected or appointed. (See *Considerations for Reforming the Selection Process of Public Higher Education Governing Boards* [Washington, D.C.: Association of Governing Boards of Universities and Colleges, 1992].)

An interesting variation on board appointment methodologies is found in the University of Alabama System: only the Board of Trustees itself may nominate new board members, who are then confirmed by the legislature. This process has tended to shield the board from the most direct political influence and has attracted, according to some observers in Alabama, some of the most respected citizens to its membership. In fact, the quality of the Board of Trustees has been a major factor in discouraging pressure from system universities to have their own respective governing boards.

These alliances, however, by and large, exist outside the board and in the legislature.

A successful system can handle healthy competition and creative tension between and among institutions in the system. A good board and system leadership will encourage, within mission and reason, healthy aspirations to quality by university presidents and their faculties and staffs. At the same time, when a system board resolves internal problems and disputes by itself—such as allocation of resources—it discourages legislative involvement. This aspect of leadership in Maine impressed us.

A good statewide board must also accommodate the diversity of institutions in a heterogeneous system through policies and practices that recognize differences in institutional heritage and mission, resulting in differentiated funding decisions and levels. This appears to be another strength of the University of Maine Board of Trustees. For example, the board supports different funding levels based on institutional mission, including a higher salary scale for the faculty and staff for the land-grant university at Orono.

The Maine board is an advocate for all institutions, and when it speaks of "the University," it is speaking for the system and not for any single member. It has been able to set aside differences and inclinations to represent particular campuses or regions of the state. This achievement is possible, in large part, because board members are not selected to represent any constituencies.

The board has "evolved." This has taken time, and now, as indicated by one former chair, it has its own organizational history, identity, momentum, cohesiveness, and civility among members even when disagreements occur—all of which characterize an effective board. Such a board can accommodate new members who may arrive with their own agendas.

In addition, the University of Maine Board conducts an annual retreat, isolated from pressures for immediate decision making. The retreat allows members to get to know one another and to set mutual goals. Most important, it helps build cohesiveness.

In Pennsylvania the chair of the State System of Higher Education's Board of Governors is respected by both political parties; he has also served as a trustee and chair of large, complex universities, and he had achieved his personal and career goals before assuming this post. With these qualifications he has not only been able to be an advocate for the

board and to understand his role and that of the board itself but has also been able to withstand periodic, strong political pressures from highly placed state officials, thereby benefiting the system and its universities, permitting and encouraging sustained attention to increasing their quality and effectiveness.

From our conversations with past and current board members in Maine and Pennsylvania and other states, from other studies on governance, and from our own observations, we see the following qualities and attributes as essential for effective leadership by lay board members of public colleges and universities, in general, and of systems, in particular.[5]

Lay leaders of public institutions should

- clearly understand the legislation and statutes that have created and/or modified the structure as well as any dominant "legislative intent" implicit in the legislation

- be willing and able to invest time and energy in their board and committee assignments. If necessary, the board chair should be prepared to set an example by his or her own attendance and by reminding other board members of their responsibilities

- be chosen because of their integrity and competence, *not* because of a desire to use their membership to further their own personal or political ambitions.

In addition, as *system* governing board members they should

- understand the various political processes and needs of constituent groups and geographic regions while transcending these pressures. They must act as a buffer against narrow political intrusion in academic life and develop a broader, longer-term vision for the system and its institutions that is less directly affected by political

[5]The qualities required by lay board leaders enunciated by Kerr and Gade in *The Guardians* are ones with which we agree. In addition, for this chapter we have drawn heavily on the insights of the long-term, highly respected chair of the Board of Governors of the Pennsylvania System of Higher Education and 13 current and four former members of the University of Maine Board of Trustees.

changes in the principal elected offices and bodies of state government

- understand—and even anticipate—national and state policy issues, calling these matters to the attention of the system head and institution heads while allowing the institutions significant autonomy in creating local solutions

- view themselves and be viewed by others—especially by faculty and staff at the institutions — as *internal* constituents of the system and institutions[6]

- understand the complexity of the organization they govern, the need to be trustees of both the entire system and each of its institutions, the need to be advocates for the system and its institutions, and the need to represent the public's interest and expectations to the system and its other internal constituents

- understand their duties and those of the board on which they serve, particularly in relation to other public coordinating or governing boards

- have experience in complex organizations in which the board is *not* involved in internal management

- support their senior paid leaders (system head, institution heads) and hold them accountable for effective management, honesty, and integrity because institutional and system quality can be no better than the quality of the academic and administrative leaders whom they appoint

- establish and review plans, policy, and performance while *not* becoming involved with internal, day-to-day operations; they should, whenever possible, refer matters directed by internal and external constituents to the proper administrator for resolution.

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[6]The fact that they may sometimes disagree with other internal constituents—faculty and staff members and students— should not create the impression that they are external constituents. Nor should such disagreements be surprising: after all, these other internal constituents tend to disagree with each other on certain basic issues.

- insist on maintaining clearly defined lines of communication with their chief of staff (system head) and, according to their by-laws, with other principal internal constituents, including faculty and institution heads.

The length of the term of appointment can influence the effectiveness of board members and board chairs. (There was consensus about this matter among both administrators and current and former board members.)

In Pennsylvania and Maine there appears to be general agreement that the board chairs need a term longer than two years. Learning how to work with state government leaders (particularly after changes in the governor's mansion or in the partisan majority in the legislature), how to build consensus in the board, how to avoid rash decisions, and how to work with the chancellor and presidents takes time. If the chair is to be in a position to counsel with other board members and with the system head, to bring some of his or her own ideas into play, perhaps to fill the role of deciding that new administrative leadership is needed and effecting change, then experience counts, and time is required to gain it. The message of television advertisements that tout the importance of limited terms for elected officials probably would not find substantial support among board members, administrators, or legislators who stress the importance of the time needed to understand the system.

Unfortunately, elected officials too often consider decreasing the length of terms of governing board members, sometimes because of dissatisfaction with particular members and on occasion to give a newly elected governor a chance to make a mark upon higher education, particularly if there are widespread calls for increased quality and responsiveness to public concerns. Again, as AGB stresses, procedures that bring the best citizens to boards, together with well-conceived orientation programs, are also important to board success.

Of course, shorter terms give a governor more opportunity to appoint members who reflect his or her priorities and perspectives. In practical terms, however, except for the occasion when a governor may want to have a chancellor or president terminated, shorter terms for members and the chair can cause problems.

- Lay leaders are compelled to rely more heavily on the guidance from the system staff. They are less able to offer advice of their own.

- Corporate memory can be lost.

- Tension between the institutional and system staffs may not only reduce morale but also weaken leadership effectiveness by those very paid leaders who are so vital to quality, access, and efficiency in planning and management.[7]

In addition, governing boards of systems have varying traditions influencing them. The attitudes, philosophy, and operating style of boards of systems composed substantially of research universities may differ from those of former state teachers colleges. Indeed, both the statutes incorporating them and their own bylaws may determine their approach, ranging from *laissez faire*, to advocacy for the system and its institutions, to monitoring and controlling the system and its units in place of and on behalf of state government officials. In system boards considered to be effective, there is a fine balance between advocate and spokesperson for public and social policy concerns and their implementation.

These sensitivities are also conditioned by such factors as the stringency of state "sunshine laws,"[8] relationships between the system and vocal leaders in state government, the degree of problems confronting the system and its units, and the internal atmosphere of the system and the board itself.

From the perspective of governing boards in effective systems, a successful structure has the following conditions:

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[7]As one extreme illustration of this point, a just-elected governor's first legislative achievement was to reduce the length of terms for all public lay boards to four years. In one system, as the incumbent board members' terms expired, he appointed all new members, thus changing the entire board within a four-year period. The new board had no institutional memory and, without discussion or review with the office holders, made many major policy changes in the contractual arrangements of the senior administrators, leading to significant deterioration in morale and effectiveness.

[8]Many have cautioned against sunshine laws, which are often counterproductive. While sensitive to their public trust, board members of systems also expressed frustration with sunshine laws because they discourage potentially strong candidates for leadership positions from allowing their names to be considered.

- The statutes that created the system and charged the board members give the board the "tools" needed—authority and flexibility—to oversee the system and achieve statutory public policy goals.

- In new systems, the statutes allow board members sufficient time to implement the law, oversee the system's early development, and minimize difficulties that could hinder the legitimate activities of their colleges and universities.

- The authority and general responsibilities of the system board are clearly enunciated in statute, especially as they relate to other public bodies and postsecondary education boards (e.g., a statewide coordinating body), state government (including both elected and appointed officials at all appropriate levels), institutional boards (if any), and campus groups (faculty members, students, administrators, and collective bargaining groups). Board members want freedom to consult their own legal counsel or, at least, counsel free from direct control by state government, in order to reach their own decisions.[9]

- With the help of the system head, the board understands the major state and national public policy issues that its institutions face or its institutions can help solve, and is thus able to develop a system strategic plan to address those issues.

- From the board members' perspective clarity is required not only on external expectations but also on internal operations. The duties, responsibilities, powers, accountability, and reporting relationships of all internal officers and groups should be clearly defined and understood, whether or not they are always well-liked.

[9]As the SSHE moved toward its "sunset review" in 1992, the issue of independent legal counsel for the Board of Governors was a topic of lively debate because of several instances in which some board members felt that the counsel supplied by and reporting to the governor was guided by that reporting relationship more than by the needs of the system. Representatives of the faculty union, board, system office, and legislature, and the institution presidents all believed that provision of independent legal counsel would further enhance system effectiveness.

In addition, board members generally believe a system functions best

- when it is not viewed simply as just another state agency, subject to the same budgetary and personnel regulations as are all other state agencies. Instead, they seek autonomy and increased flexibility with accountability to achieve the benefits that a system structure with multi-institutional cooperation and shared resources should provide

- when *communication* is good between the board and all other constituents. Clear, concise information from salaried staff members is important, as is constructive communication with state government leaders. In Pennsylvania, four representatives of the State General Assembly (two chosen by the Democratic and Republican leadership of each house) are voting members of the systemwide Board of Governors.[10] Local institutional Councils are also permitted to have state legislators as members. Rather than being an "intrusion," conflict of interest, or possible source of "leaks," this form of communication has prevented unpleasant surprises and also enhanced bipartisan legislative support for the system and its universities[11]

- when internal problems can be resolved internally rather than externally so that they do not move into the public arena for debate and (re)solution. Procedures and staff are required to identify and solve problems at the earliest possible stage

- when members faithfully attend meetings of the full board and its committees and do not use their membership to achieve political or personal career goals

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[10]The Governor and the Secretary of Education are voting members of the Board of Governors. Neither they nor the legislative board members may serve as officers of the Board or on its Executive Committee. The governor and the education secretary are permitted to send designees to the Board of Governors' meetings, but legislators may *not* make use of designees.

Vermont is the only other state we know of that by statute has legislators on the boards of both the University of Vermont and the Vermont State Colleges System.

[11]In Pennsylvania, five members of the Board of Governors are also members of the local universities' Council of Trustees, an additional step to maintain communication.

- when board members and institution heads can communicate with each other freely without undermining the *primus inter pares* (first among equals) role of the system head, who must be kept informed of any substantial discussions

- above all, board members can proudly observe quality improving throughout the system, especially at the institutions. Board members welcome, of course, measures taken by salaried leaders in the system that make them "look good" to the public as sound stewards of their responsibilities.

In both systems, board members' commitment to being knowledgeable, internal constituents was demonstrated by their willingness to hold meetings at campuses throughout their relatively large states. We were told this practice yields many benefits, including orientation of board members to each campus and enfranchisement of internal constituents (primarily faculty members and students).

Salaried Leaders

The system head and institution heads hold highly visible and sensitive positions, and their success (as well as their organization's) depends substantially on their knowledge, experience, and sensitivity, and their capacity and desire to understand the perspectives of diverse constituents. They must be able to "translate" effectively the hopes, desires, and frustrations of one constituency into the language of other constituencies to build comprehension and consensus.

Effective system leadership calls for maintaining a statewide perspective on higher education and on related public policy issues at the state and national levels. The system head should keep the board apprised of these issues.[12]

An effective system head needs many leadership qualities.[13] He or she should

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[12]The board chair and the chair of the council of presidents should also have such responsibilities.

[13]The same leadership qualities and practices could also apply to a complex coordination structure and its top executive.

- understand and enjoy, as much as possible, the political environment (and its people) in which the structure operates and from which it draws its primary support

- create an environment of good will that enables shared power and decision making. This, in turn, encourages creativity and involvement by institution heads and board members, and enhances the leadership skills and roles of institution heads in the system as well as on their own campuses

- be familiar with the institutions, their heritages, missions, challenges, constituents, and lay and paid leaders

- through actions and timely sharing of information, make the lay board members look good and protect them from embarrassment

- maintain good communication with all constituents, providing timely, accurate, useful information to board members, in particular

- provide regular updates and feedback to board members and government leaders on progress in achieving planned goals and objectives (or changes needed in the plans themselves)

- have had successful leadership experience on a college or university campus and yet realize that that role is now past

- respect and understand the role(s) of and challenges facing institution heads

- communicate frequently in person or by electronic means with the institution heads

- make major policy recommendations (e.g., on funding formulas, topics for a systemwide plan, etc.) to the board only after building a consensus with the institution heads

- involve and empower institutional or other appropriate governance heads in planning, decision making, and evaluation and review at the systemwide level

- maintain a sound relationship with the people who "own" the organization and their representatives, i.e., with state officials (in particular, legislators who, in many states, can remain in office longer than the governor can)

- understand when a problem is a "local" issue requiring a campus solution and not a "system" issue requiring system involvement

- be comfortable with institution heads interacting with the system board.[14]

The system head, perhaps like the president of the state's most visible, prestigious, public research university, has a special opportunity to envision and advocate a public agenda for higher education on behalf of the board and the system institutions. A SHEEO may also be able to play this role, but the SHEEO's perspectives and constraints may differ from the system head's. A SHEEO may be visibly identified with a governor (even from past relationships[15]) and may even be a member of the cabinet and, thus, constrained from taking certain public positions. In addition, the system head and institution heads must live with the academic and managerial implications of such policy pronouncements at their colleges and universities.

Internal Relationships within Systems

Communication with the many internal constituents is time consuming but essential. Effective communication involves not only ongoing dialogue but also continually reaffirming the appropriate lines and forms of communication and seeing that they are properly used. These principles gain importance in larger and more complex systems.

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[14]Although these characteristics and managerial style have been widely identified, we are indebted to the chancellors of the Pennsylvania State System of Higher Education and the University of Maine System for useful summaries. For additional discussion see *Old Problems and New Responsibilities for University System Heads*, by Lawrence Pettit, a 1989 monograph published by the National Association of System Heads.

[15] In West Virginia, for example, in the postsecondary education reorganization in 1989-90, the first SHEEO had been the governor's campaign manager. In Maryland the SHEEO in the 1988 reorganization was made, in statute, a member of the governor's cabinet and given the title of Secretary of Higher Education.

One highly respected chancellor told us that the "ideal" size for a system is from four to eight institutions. He believes that a system of less than four institutions will lead to too much interference on the part of the chancellor and that a system of more than eight will lead to overregulating and gravitating toward the "mean." Over eight institutions can produce, he believes, major managerial difficulties *unless* all those in leadership positions are not only aware of the challenge of size but are also prepared to make the extra commitment to open communication. A larger system may reduce interaction between the institution heads and the board and significantly increase communication and leadership pressures on the system head to play the role of board surrogate.

In a larger system it is much more difficult for the system head and lay leaders to give appropriate attention to individual institutions and to maintain proper interaction between the board and institution heads.

There are, of course, several justifications for systems with a large number of constituent institutions, especially if those institutions are homogeneous. Having one large system may be preferable to having several smaller ones in the same state, especially if having several systems would require adding coordinating structures and mechanisms.

Pennsylvania's large system works effectively because the chancellor and the presidents are aware of the complexities of size and because the chancellor devotes much time and energy to keeping in close contact with the presidents.

System communication is more complex when each institution has a lay board as well as system governing board. Clarifying responsibilities of boards at both levels is vital. Ongoing communication between the system head and local boards (with awareness and participation by the institution head) is also essential. In the Pennsylvania SSHE, this relationship is facilitated by the system head's participation as an *ex officio* member of each local university's Council of Trustees and diligence in attending their meetings. Local Councils still exert considerable governing authority for their campuses in the SSHE (by statute) freeing the Board of Governors to spend more time on advocacy and statewide policy.

The System Head and Institution Heads

Vital to system success is a good working relationship between the heads of the system and the institutions. In addition to board effectiveness, this is the factor most critical to enhancing a system's administrative effectiveness.

There must be a balance in authority between system head and institution heads in planning, policy development, fiscal affairs, academic affairs, and personnel practices—for the system as a whole and for the individual institution. The system head must foster the power of the institution heads without undermining his or her own authority. We reiterate: only if institution heads have authority can they be held accountable.

Just as skilled leadership is essential for system effectiveness, conflicts among leaders can lead observers to believe that the structure is at fault and must be overhauled. For example, breaking up the system is sometimes suggested as vital to the health of higher education and the premier university when there is serious conflict between the flagship campus and statewide system.

However, such decisions can be erroneous and costly. At times, professionally competent administrators are in the wrong positions. Apparently in the University of Maine System, some of the serious problems in years past arose from personality conflicts between competent persons. The system was neither structurally flawed nor collapsing but was hindered because the University of Maine president and system chancellor could not work together.

The Board of Trustees acted responsibly by concentrating on eliminating the personality conflicts rather than proposing radical restructuring. Changing the structure would have been costly, requiring years of readjustment as well as sacrifice of the founders' goals.[16]

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[16]In the 1980s, dissatisfaction with perceived poor performance of the university system provoked the Governor's Commission on the Status of Education to recommend a substantial outside review of the system. The legislature concurred, and the governor appointed an eleven person "Visiting Committee." Among other findings, it reported a decline in the academic quality of the University of Maine at Orono. The board and the state responded to the recommendations with a name change and a major "catch-up" appropriation to boost the university's status. It became, once again, the *University of Maine* and was given a the new level of funding to help it become the "research and doctoral institution, befitting its historic role as the state's land-grant university...."

continued

Fortunately, change in the chancellorship and presidency cleared the way for new players to make the system work. The new chancellor took the initiative to sit down with the president of the flagship campus at Orono (who was also new) to discuss the necessity to work together for common purposes. Does this experience speak for the need for a special working relationship between the system head and the flagship head in heterogeneous systems? Perhaps, but such interaction should not be to the detriment of a sound working relationship with *all* institution heads.

In the working relationship between chancellors and university presidents, what elements facilitate smooth functioning? In Maine and Pennsylvania it was clear that personality and leadership can determine success or failure of operations. Yet structure also plays a role because a system must sustain itself during leadership changes or conflicts between the system office and a campus.

In both Pennsylvania and Maine the chancellors may be the chief operating officers of the systems but they are *not* so for the system institutions. In Pennsylvania all 14 of the universities had existed as separate—if similar—institutions *before* the reorganization of 1982, each with its own president. In Maine all but two of the current constituent universities had been separate institutions before 1968.[17] While the former state teachers colleges had operated under the strictures of a state education department in both states, they had their own identity and traditions, their own loyal friends. They had not been and would not willingly have become "branch campuses" or "extensions" of another university.

It is probably fair to say that without the special support given to the University of Maine (Orono) and the change in its base budget, pressures to demolish the system would have become irresistible. What is more important is that higher education in Maine was strengthened to avoid radical underservice to the populace.

Although initially not all panel members supported continuation of the university system, in the end, it was the use of a distinguished panel of persons outside the system (some from outside the state) which established the direction and the political climate necessary for this action and quite possibly saved the system at a critical juncture.

Establishing such outside "blue ribbon" panels to review governance structures may or may not prove beneficial in every state; however, if thoughtfully selected and given a charge without a hidden political agenda, their findings can be highly useful.

[17]The University of Maine at Augusta and the Portland part of what has become the University of Southern Maine had been parts of the University of Maine before the system was created in 1968.

Success rests on the system head's style and ability to create an environment of shared power and shared decision making. A system head who has the support of the governing board can be much more at ease in delegating authority. And a system head who has the support of the institution heads will, in turn, quite probably have strong board support. We were impressed by the two secure system chancellors in Maine and Pennsylvania who were at ease interacting with presidents, system board members, and staff members.

The system head must have a working methodology and style that includes others—not to the extent of subjugating his or her own ability to make decisions but to an extent that encourages presidential opinion and debate in decision making. In addition to expecting presidents to be strong managers of their own universities, a secure chancellor expects and elicits a strong role by the presidents in the development of policy and its implementation. As emphasized earlier, institution heads who participate in system deliberations and significantly shape its priorities are also more likely to support the system's decisions in public and less inclined to conduct "end runs."

In Maine and Pennsylvania the presidents are included in deliberations even though their opinions do not always determine outcomes. In the SSHE for example, the chancellor is the chief policy maker and the presidents are close advisers. The chancellor's office strives vigorously to maintain a culture of shared decision making that will outlast the inevitable change in leadership positions and will become institutionalized as system procedure based on the underlying intent of the creating statutes. One SSHE president told us, "I honestly spend 10 to 15 percent of my time on system issues and administration."

In Pennsylvania, the creating statute established a Commission of Presidents composed of the 14 university presidents. The Commission has responsibility to advise the chancellor on all matters affecting the system. In addition, the chancellor has created a system Executive Council that includes the system vice chancellors as well as the presidents. The group meets monthly, and the system office seems to have the duty of providing staff support for the entire system leadership—not just for the chancellor. Between meetings constant communication between the chancellor and the presidents is maintained via phone, fax, and electronic mail.

In the University of Maine System, the Presidents' Council meets fifteen times a year, separately from the board. The chancellor and presidents see the meetings as an investment that builds trust.

In Pennsylvania the chancellor of the SSHE has also created a Chancellor's Advisory Committee with representatives of the unions, alumni, students, and the institutional Councils of Trustees, convened in person or by telephone by the chancellor to facilitate ongoing communication and to address quickly matters of common concern. Similarly, the chancellor of the University of Maine has created various advisory groups to assist with systemwide initiatives, such as library resources sharing and instructional television.

Although they are education leaders themselves, the chancellors in Pennsylvania and Maine stressed that system heads must realize the inherently different role they play from that of university presidents. The system chancellor must be both an educational and a political leader. (The chancellor of the Maine system emphasized, "I wish to be seen more as an educator than as a political insider.") The chancellor is essential in maintaining two-way communication between board and institutions, government and board, and government and institutions. The system head must be able and willing to bring the board's concerns—particularly in public policy—to the institution heads and other internal constituents, just as (s)he must be able and willing to bring their concerns to the board.

We spent considerable time with presidents in Maine and Pennsylvania discussing the role of the system head. With unanimity they believed strongly that system heads should have served as a president before becoming chancellor. They reasoned that if someone is to have line authority over them and to have a special relationship with the governing board (no matter what the system head's title), that person should understand and be sensitive to dealings with faculty members and students and other conditions unique to the presidency. Presidents in these two systems welcomed a strong and effective chancellor who clearly "had been one of us." The system heads in the Pennsylvania SSHE and the University of Maine System had been well-regarded presidents—indeed, presidents in their own systems.[18]

The System Office and Institutions

The very name chosen to identify this unit, in statute, in system bylaws, or in the day-to-day vernacular of the people within the system,

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[18] We do not believe that all system heads must have been institution heads. (See our recommendations in Part IV.)

may reveal perceptions of its duties and the level of agreement with those duties. In particular, when senior professionals both in the system office and at the institutions share the same terminology (even in conversation), their accord may reflect an effective system with shared visions on governance and the allocation of responsibilities and duties. For example,

- A "system administration" or, even more to the point, a "central administration," may portray a body that, on behalf of the governing board, *administers* and *manages* the system including, perhaps, certain aspects of the "internal" life of the institutions themselves (e.g., faculty personnel decisions, budget transfers, and the like).

- A "system office," "chancellor's office," or "board office" (or "board staff") may portray a body that provides the board—and the institution presidents—with staff *support* and focuses its activities more on *coordination* of planning, budget submission preparation, and advocacy, rather than managing institutional activities.

System offices across the country generally originate in one of two ways:

- They have evolved from the expansion of a single university into one with branch campuses that later became separate institutions. The duties of such system offices are also expected to change as managerial duties are transferred to the institutions. They are expected to change from a central administration to a system office. In some cases this transition can be quite stressful and require years to sort out duties belonging to each level. At times the system office may be located on the campus of the leading university, occupying space and consuming resources that may belong to and be paid for by the "host." This institution may resent the costs and the proximate oversight, and other institution heads may believe that the system office is the "captive" of, and therefore partial, to the host university.

- They may be entirely new creations without loyalty to or geographic interdependency with any single institution and may, therefore, not have to struggle with a transfer of authority and an identity confusion with the flagship university. In fact, the creation of these systems and

their system offices has led to a reduction of centralized control over many of the universities formerly directed by state departments of education.

This second form of origin applies to Pennsylvania and Maine and may help explain the more harmonious relationships between the universities and system office.

A change in management philosophy seems to be taking hold in a number of state and local governments that may have major implications for education.[19] In the past, organizational decisions affecting the individual units were often made or had to be approved by a powerful staff in a central headquarters: unit heads had limited latitude. Today central administrations are being downsized, as organizations strive to reduce complexity and as the heads of units need authority (if they are to be accountable) to reach local decisions—often, quite quickly. In turn, the leadership skills and expertise of the unit heads are being used to help manage the entire structure, saving costs and increasing managerial satisfaction and stability. This principle, as observed in Maine and in Pennsylvania, is perceived by those we consulted to be enhancing the effectiveness of these systems.

System offices, like other administrative units in complex organizations, and like the system chancellor, face, Janus-like, in two directions, and as systems evolve, their roles undergo modification. They must be accountable for the resources they consume and manage. They must be able to identify honestly to their internal and external constituents the value they add to the academic enterprise.

Over the years in many states, higher education has been able gradually to obtain authority to manage activities once centralized in state agencies. In some cases those activities have moved only to the system office while in other cases they have moved a step farther—to the institutions themselves. In certain ways their functions resemble those of the administration of a large, free-standing, highly decentralized university. Tensions between various levels of administration are to be expected. Their effectiveness appears to stem from several factors:

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[19]Cf. David Osbourne and Ted Gaebler.

- the managerial philosophy and style set by the system head in relationships with internal and external constituents

- the ability to involve institutional representatives meaningfully in deliberations and proposal preparation before recommendations are forwarded to the board and/or state government

- successful experience on the campus to help staff members maintain the respect of faculty members and administrators at the institutions and to understand the perspectives of institutions and of multi-institutional governance bodies.[20]

In the two systems studied there were some differences in the kinds of duties expected. If asked, institution presidents will usually answer that the most important role that system offices can play is advocacy. But beyond advocacy, system offices must also propose systemwide policy and conduct some degree of performance monitoring. A general summary of their principal activities, under the direction of the system head, would include the following activities.

- They coordinate external relations with state government agencies, elected officials, coordinating boards and/or other systems, and, for system issues, federal agencies, as well. They are expected to take the lead in preparing and defending system and institutional operating and capital budget proposals and revisions before state government.

- They act as a communication link between the board and institutions in the system, frequently serving as advocates for one group to another. Theirs is often the unpleasant task of telling the institutions about public policy issues that must be addressed or of relaying dissatisfaction—justified or unjustified—that state officials or board members have with institutional activities.

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[20]The University of Alabama System, for one, has adopted a procedure of bringing institution administrators to the system office for at least two years to serve in important staff capacities to "bridge the gap" and to allow the system, as a whole, to benefit from the expertise available on system campuses. The University of Maryland System has also rotated professional staff in both directions between its system administration and its constituent institutions.

- They serve as staff to the board and, on systemwide projects, to the institutions, as well. They carry out board planning, data gathering, and management mandates and prepare position papers for board review and consideration. They coordinate systemwide planning and the resulting mission and academic program proposals and reviews.

- They coordinate a range of activities of common concern to the board and the institutions, particularly those for which the sharing of resources makes sense. These activities may include legal services; capital project planning, coordination, and management; and the acquisition and use of costly electronic technologies and expertise, such as shared computer resources or educational television networks.

- They work with the institutions to identify and address issues before they become major public problems. (An effective internal audit operation may be one example.) They are effective when they can make the board, the system head, and the institutional presidents look good.

In times of tight budgets, system offices, in particular, have few supportive constituents—perhaps only the governing board itself. Indeed, reducing the number of administrative staff members has been one motivation for some postsecondary education reorganizations in which systems and/or coordinating bodies have been merged. Because it is common for administrators in many organizations to believe that the next higher level of management is not necessary and may actually impede quality, system offices with large staffs that *appear* to duplicate institutional administration are vulnerable to attack from all sides. In the Pennsylvania SSHE, the system office budget has been limited by statute to .5 percent of the total system budget. This "cap" has given the constituent universities and their presidents a feeling of security and comfort, reducing the tension between presidents and the system office staff.

Similarly, in Maine, according to the presidents, the administrative style of the system head has set an example for his staff. During a time of extreme fiscal austerity he relinquished his state car and substantially cut expenditures for the system office in the state capital by reducing staff and moving the office to the Augusta campus.

There does not appear to be one ideal size for all system office staffs or budgets. If systemwide activities or initiatives are needed beyond the basic responsibilities collectively acknowledged by the board, system head, and institution heads, then the system should be funded accordingly. Many system office activities should serve the goal of alleviating institutions from state bureaucracies: if the system can do the job more efficiently or less intrusively than can a state agency, institutions should not object.

System Planning and Coordination

The system vision underlies the creation and ongoing modifications of systemwide plans in terms of institutional heritage and financial and intellectual resources, on the one hand, and public policy perspectives, on the other. If, for example, as in Tennessee, a coordinating board takes the lead in planning, in Maine and Pennsylvania, where this authority is not vested in such a body, the systems themselves take the initiative. In some states the struggle between centralized control and institutional autonomy is waged in the arena of vision, plans, and missions—and the avoidance of duplication.

In Maine and Pennsylvania it appears that *systemwide planning* is coordinated by the system office in ways combining "bottom up" with "top down" initiatives. In each case the Commission or Council of Presidents provided a major forum for discussions, coupled with active participation by other institutional representatives, and led to successful bottom-up plans and initiatives. The system office meshed campus initiatives with system board/office initiatives, leading to successful (in our opinion model) systemwide strategic planning documents. The Pennsylvania SSHE chancellor stated, "We have a system plan and fourteen individual campus plans within it—ones of diversity and uniqueness. We bring the system's leaders together to set system priorities and later to see how they are being met. The results will be uneven among the campuses, but that's fine because all institutions will buy into the priorities at different times." In such an arrangement the system does not dictate policy from above because it has been developed and agreed to by all.

As noted in the discussion of leadership roles of institution heads in systems, senior administrators should support their governing board(s) in tactical and strategic planning and policy making. Just as the board should hold its lay leaders accountable for the management

of their institutions and expect reports and updates on managerial issues and progress toward established objectives, so, too, the board should expect paid leaders to provide insights and guidance in the planning process.

Effective systems, then, have productive interaction between lay and paid leaders in goal setting and achievement of managerial goals. Although there may be occasional tensions and conflicting expectations, clarity of primary—if not exclusive—responsibility appears to reduce misunderstandings and to foster a sense of shared vision.

Academic Affairs

In some states, academic affairs issues may become areas of contention as system offices inform institutions of problems that need to be addressed. State policy makers are expressing serious concerns and exerting pressures on systems and institutions for responses and reform. They are expecting quality, accountability, effectiveness, and access; evidence of student academic performance; documentation of faculty productivity and time spent on teaching undergraduates; and English language proficiency by all who teach. Some of these issues exert greater pressure in systems with research universities that expect faculty members to devote more of their time to research and make greater use of teaching assistants. As Frank Newman observes in *Choosing Quality*, the more public confidence in their academic quality that a university's and system's leaders can cultivate, the less overt governmental intrusion in their academic life they can expect.

In Maine and Pennsylvania we found among legislators a sense of satisfaction, at the minimum, and pride, in many cases, in the quality that the public institutions appeared to be achieving. There was, therefore, less desire by external constituents to increase centralization of academic affairs in the system offices. System-level coordination, most certainly, is occurring with the able assistance of vice chancellors of academic affairs and committee structures of various campus academic units.

Assessment and accountability are becoming increasingly important issues in both states. In both cases the system office and the board are strongly encouraging each institution to develop accountability standards and reporting mechanisms out of a belief that academic and managerial quality and accountability are best enhanced at the institutional level.

In both states the system office staff in academic affairs coordinates expressions of "intent to plan" new degree programs and their preparation before submission via the chancellor to the board — a common activity by system offices. New program proposals must be in harmony with the systemwide strategic plans, priorities, and directions. In Maine, statements of "intent to plan" are circulated by the system office to all the universities for their information and comment. In the Pennsylvania SSHE, all new programs are presented to the Board of Governors by the chancellor, who is their advocate to the board.

Faculty Issues

The often sensitive issue of faculty personnel decisions, however, is handled differently in the two systems. Both have systemwide faculty collective bargaining agreements. In the Pennsylvania SSHE, faculty appointment, promotion, and tenure decisions are reached at the individual universities: institutional autonomy in faculty personnel matters is essentially intact. The Board of Governors is not involved.

In Maine, however, the situation is different. Appointment and promotion decisions without the conferral of tenure are made by the university presidents. However, faculty personnel decisions involving tenure must be made by the Board of Trustees on the recommendation of the chancellor. Although, after system office review, presidents' recommendations are usually conveyed by the chancellor to the board, the chancellor has discouraged frequent "early" tenure recommendations: in such a case they may not be forwarded to the board despite a president's recommendation.

The faculty role in systemwide governance varies widely, to some degree depending on the heritage of the system and its constituent institutions. Yet in one way or another the system office coordinates systemwide faculty and administration dialogue. In addition, the nature of faculty participation in governance depends partly on whether there is a collective bargaining agreement and, if so, what characteristics it has. While we do not take any position of the desirability of collective bargaining or on the issue of systemwide versus institution-by-institution agreements, an effective system provides some vehicle for faculty expression to the board and system head in recognition of the critical stake faculty members have in the life of the organization.

In our opinion, legislation creating or modifying a system structure should *not* specify the exact nature of faculty participation for two reasons

- it does not seem appropriate for government to determine the specific nature of academic governance

- issues stipulated in statute can be changed only by legislation, and operational experience may reveal that a given name or format is less desirable than other approaches might be: in such a case, change, no matter how much desired by all parties, must await the results of legislative deliberations, and the results—with possible amendments—might not please any participant in higher education.

Collective Bargaining

Both the Pennsylvania SSHE and the University of Maine System engage in collective bargaining, negotiated on a systemwide basis under the leadership of system staff consulting with institution presidents before and during negotiations. In both systems, the system boards ratify all contracts with all unions. Indeed, in several larger systems[21] collective bargaining is conducted systemwide or statewide.

There is one significant difference between the two systems. The Pennsylvania SSHE contract with the faculty union spells out many elements of faculty governance while its counterpart in Maine is a "bare bones" labor agreement covering only wages and salaries: faculty governance is handled through faculty senates, and there are faculty representatives to the Board of Trustees and on its committees.

One benefit in the Pennsylvania SSHE arising from collective bargaining has been the agreement to fund a series of faculty development activities out of the pool of money for faculty salaries. Annually, 28 faculty receive awards from this fund and are also given systemwide recognition.

In Pennsylvania faculty collective bargaining pre-dated the creation of the SSHE in 1982. In fact, union leadership played a role in stimulating the creation of the system in the first place. Furthermore, the faculty union continues to voice support for the system in the legislature.

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[21] Examples include the Minnesota State University System, the California State University System, the Board of Governors of State Colleges and Universities (Illinois), and the City University and State University of New York. The SUNY contract is negotiated by the Public Employees' Relations Board, a state agency; the system office, therefore, has limited flexibility in making personnel adjustments during the life of the contract in the face of budget crises.

Other System Administrative Activities

The system office is also responsible for coordinating the creation and periodic review of the methodology for funding allocations to the institutions. In both Maine and Pennsylvania a lump sum appropriation is made to the governing board, which, through the system office, allocates the funds to the universities. In both cases the system board establishes tuition charges. In the University of Maine, mandatory fees are set by the board, and in both systems local fees are established by the universities (in the Pennsylvania SSHE, with the approval of the local Council of Trustees). The universities retain credit for their tuition income and are not penalized if tuition revenue exceeds projections.

Similarly, to encourage and reward effective institutional management, presidents, while required to operate with balanced budgets, can carry over funds from one fiscal year to the next. This discourages a practice found in some government agencies of "unloading" residual funds to avoid their lapsing. It also encourages presidential vision in management of resources.

In effective systems *internal auditing* is a common practice. Whether audits are conducted by institution or system staff, the board must feel comfortable with the procedures so that the system and board are not exposed to potentially embarrassing problems. If housed in the system office, auditors should be permanent staff to the system head, and their primary role should be to help the institutions. Presidents could be included in setting the criteria for selection of auditors.

System offices can also convene workshops for institutional staff on particular activities to share information without actually attempting to manage these functions themselves. They may also be responsible for working with the system governing board to create orientation programs and retreats, as in the successful University of Maine experience.

As noted, the historical development of administrative regulations in a state tends to influence the choice of site at which administrative functions have been carried out by state agencies. Institutions become wary when a system office attempts to duplicate their administrative activities or to oversee their day-to-day operations. In the Maine and Pennsylvania systems, however, this was clearly not the case, which may be one reason for the positive relations existing between the presidents and the chancellor and the system office staff.

Systemwide Initiatives and the Tension between Systemwide and Institutional Activities

Few concerns generate as much friction within systems as does centralization of authority, whether or not the constituent institutions had once existed as separate entities or as branch campuses before they became part of the system. In some cases, lay or paid system leaders have envisioned a structure so centralized as to be virtually "one university, geographically dispersed," rather than a system of separate colleges and universities with their own identities. Some system leaders have believed that the benefits of a system structure could be best achieved through the enhanced visibility and identity of a system in which all institutions have a common name, even if that goal necessitates changing well-recognized names. As noted elsewhere, this approach, already used in a number of states, can lead to levels of friction that far outweigh the envisioned benefits.

Resolving such tensions is possible with the statutes creating the structure. As noted throughout this study, *clarity* of responsibilities and accountability is absolutely essential. In states having multi-layers of coordination and governance structures, effective operation obviously depends, first of all, on the division of labor specified in the enabling legislation.

In general, *effective systems facilitate the achievements of their colleges and universities*—where teaching, research, and creativity actually take place—building throughout the system in those accomplishments. Activities best conducted at the institutional level include (but are not limited to) alumni/ae relations, private fund raising, community relations, student life programs and activities, and faculty and staff personnel matters that do not require action by the governing board. Institutional constituencies have pointed out that students and graduates rarely identify with a system, especially when private donations are solicited. Wise system leaders encourage constituent institutions to strengthen their own fund raising efforts by building on institutional identity and loyalties.

The system search for *external funding* may, however, have greater success than that by individual institutions when projects, by their very nature, require multi-institutional cooperation and promise significant social and educational benefits. There may be major initiatives that transcend institutional resources but for which external grants might be obtained. In the Pennsylvania SSHE this effort has borne fruit

because the presidents participate in planning the objectives and perceive the undertaking as complementary to and not as duplicative of or threatening to their own fund-development activities. In the University of Maine System, a capital campaign consisting of teams of university representatives (including trustees) approached the top 100 Maine businesses and corporations and raised nearly $20 million for institutional and systemwide initiatives. The teams played an educational role for the system that otherwise would not have been possible.

In many systems the system office and institutions have also organized and run special *professional development* workshops for new deans, department chairs, student life officers, and others. The Pennsylvania SSHE, for example, has organized successful teacher academies to enhance a critical systemwide mission.

An important characteristic of Maine that influences the governance of higher education there—a respected Maine tradition— is a "citizens legislature." It meets part time and compensation is deliberately modest. The university system is undertaking a special effort to assist the legislature by pooling its faculty expertise to support legislators and their committees on critical issues confronting the state. The chancellor views such assistance as a necessary responsibility of a state-supported university system.

A statewide system can facilitate coordination of educational services. For example, Maine has a highly sophisticated and successful interactive television network broadcasting classes across the state, including remote areas. The network, ITV, would have been extremely difficult to develop without system coordination. ITV has benefited both the higher education system through statewide and national recognition, but, more important, it has served large numbers of nontraditional students for whom access had been limited. Despite the current climate of fiscal constraint, the network has been receiving budget approval for expansion. The chancellor has established an advisory committee outside the system to ensure that educational needs are heard and understood. The University of Maine System has also played a similar and pivotal role in establishing a library-sharing network that has been expanded beyond the system institutions to include private institutions and libraries—a step public universities and systems have taken in other states. The system's next step is to save costs and improve operations in library acquisitions.

External Relationships

Aims McGuinness has noted that "governance" entails not only *structure* but the total *relationship* between state government and public higher education, including relationships among the organizations that facilitate that relationship—coordinating bodies, state systems, and public colleges and universities. By extension, this relationship also applies to the citizens—"the owners"—and how they view the ability of colleges and universities to meet such needs as access, quality education, and support for economic growth.

Postsecondary education, whether public or independent, regardless of organizational structure, always depends on the good will of its many external constituents and supporters. This support is best fostered through academic quality and the integrity and effectiveness of faculty members, trustees, and administrators. In this process, ongoing, honest communication is essential. All but the most vehement critics of postsecondary education will probably be supportive in times of controversy if they believe they have been kept honestly and regularly informed.

Governor and the Legislature

Communication with the governor and legislature is vital. Every system must position itself to be responsive to the numerous questions and concerns that arise. Many questions about accountability, quality, and access can be answered through effective and continuing communication with the legislature. The legislators and staff interviewed in Maine and Pennsylvania were enthusiastic about higher education in spite of the financial difficulties assailing them. They support the systems and chancellors and applaud them for their efforts in keeping the legislature informed. This initiative speaks to a philosophy evident in effective structures: a well-informed legislature can be higher education's best ally, even though it may not always provide support in the manner or to the extent desired.

In Maine, in what may be a unique privilege granted to a chancellor, the legislature has expressed its commitment to communicating with the university system and its respect for the system's major contributions to the well-being of the state and its citizens. In addition to the governor and the chief justice of the state supreme court, the chancellor has the privilege of addressing a joint session of the legislature. This "State of the University" address not only provides a

rare opportunity to describe the university's accomplishments, aspirations, and needs to its most influential constituency but also recognizes higher education's unique place among government services. This address is not simply public relations with the legislature but rather a valuable opportunity for the chancellor to highlight the problems, issues, priorities, plans, and successes of the system and to describe the system's successes in and aspirations for service to the citizens of Maine. The chancellor can set the agenda for more detailed dialogue with state government in a positive, constructive fashion that also gets wide public attention.

On a day-by-day basis, however, the system head and chief governmental liaison officer of the system office must keep key elected and appointed state officials informed about the system and listen to the concerns of the state's citizens as expressed by these officials. The location of the system office may offer an insight into the way in which this ongoing dialogue can best be conducted.

As we noted earlier, the location of the system office may be a function of the historical evolution of the system. Some system leaders prefer to keep a clear arm's-length relationship with state government to avoid what they perceive to be the danger of partisan political entanglement and, at the same time, to underscore their roles as "educators" rather than lobbyists or as employees of a state agency. Even those systems whose headquarters are located elsewhere in the state maintain an office in the capital city not only to accommodate a small staff but also to provide a meeting place for board members, presidents, and other senior officials.

The locations of the Maine and Pennsylvania system offices demonstrate that there is more than one way to approach this issue effectively. In Maine, the chancellor prefers to keep his office in Bangor, away from the state capital, to emphasize his academic leadership role, which he regards as paramount. The system has a small branch office on its campus in Augusta, as well, and the chancellor makes frequent trips to the state capital to meet with the governor's office and the legislature. Without a full-time legislature it may not be necessary to have a system office in the state capital.

In Pennsylvania the system chancellor enjoys the political process. Unlike the part-time legislature in Maine, the Pennsylvania General Assembly spends considerable time in legislative session and activity throughout the year. Therefore the system office is located in the state capital. In the final analysis, the board and system head must

choose the location that will best facilitate dialogue with the system's most important external constituency.

In several states the governor not only nominates or selects board members but also sits *ex officio* on the board. (Of course, governors often send an aide in their place to board meetings rather than attending themselves.) Formal, statutory board membership on a system governing board by representatives of the legislature, on the other hand, is rare.

In Pennsylvania, some five years after the reorganization of governance of the state colleges into the Pennsylvania State System of Higher Education, several structural modifications were enacted, not so much to resolve problems and dissatisfaction but rather to continue to strengthen the system and its public support. The House and Senate caucuses of the Democratic and Republican parties now each select legislators (four in total) to sit as full, voting members on the SSHE Board of Governors. In some states this might be a conflict of interest, and in Pennsylvania laws were modified to address this concern.[22]

The potential benefits of Pennsylvania's arrangement were exhibited in two specific cases when the authors were visiting the system.

- The chancellor, institution presidents, system office's senior staff, and Board of Governors were discussing funding formulas. Changes in the basis for allocations evoke concern not only from institution heads and other local constituents but also from legislators. Key legislators were aware of these discussions and could alert their legislative colleagues before decisions were finalized and made public.

- Conditions of presidential appointments, compensation, and departure from office are sensitive. On the one hand, within the SSHE a president of one of the universities was about to be removed from office because of alleged financial mismanagement. The Board of Governors (including legislative members), as well as the local Council members, were kept informed of steps being taken to resolve the problem *within* the system; there was no legislative outcry. At the same time a controversy arose over a retirement package provided by the University of Pittsburgh (*not* in the SSHE), a "publicly-assisted" university. Legislative outcries were heard for tighter regulations and

[22]As noted, the governor is also a member of the Board of Governors, and no state official may serve as an officer of the board.

possible reductions in the University's appropriated support. Legislators we met believed that the SSHE structure and its leadership would have avoided the controversy through consultation and communication with key external constituents.

To be sure, many educators may fear that having legislators as voting members may amount to political intrusion. Yet in Pennsylvania, the representatives of the internal and external constituencies with whom we spoke believe this practice benefits the system, universities (and their people), and General Assembly. Communications are kept open, and potential conflicts can be resolved by the Board of Governors rather than in committee hearings or on the chamber floor. Legislators, as board members, seem aware of the importance of their maintaining confidentiality about topics under deliberation while also keeping their colleagues alerted to critical issues under review.

The key, as always, is ongoing, open communication. Even if legislator participation on governing boards is not feasible in some states, a formalized mechanism for communication can be created, perhaps an advisory committee, jointly staffed by the system head and legislative members or staff, that could meet regularly on its own and, perhaps, semiannually with the statewide board.

Whatever the structure and membership of the governing board, a second major element in effective external communication is the *need for the system to speak with one voice* after internal discussions have been completed. Not only does a unified voice increase influence, but it also helps prevent legislators from the affected areas, representing universities in the system, clashing with each other and—depending on priorities set by the governing board—with the board and its senior administrators. This becomes particularly critical in proposals for operating and capital budgets. Institution heads are often under tremendous pressures to "bring home the bacon," and they face resentment from faculty members, students, graduates, and special-interest groups when it appears that they have not been as successful as other presidents in obtaining support. Yet the effectiveness of systems is severely undermined when institution heads go outside the system and "lobby" for capital projects or special line-item appropriations that are not part of the system's official priority proposals.

Systems presidents are more likely to share a common voice with the system heads in external relations when they have had broad

involvement in systemwide planning, policy making, and priority setting from the beginning of the management process. Effective systems seem able to argue the merits and priorities internally and to arrive at a consensus that system and institution leaders will support (or at least not oppose) when talking with external constituents, especially with state government officials. In some other states that have ignored this strategy, the setting of capital budget priorities within and between systems has led to severe stresses throughout higher education and among education's lay and paid leaders with state government.

Communication about Funding and Budgets

If a system office develops and administers a funding formula for requesting and allocating state appropriations to system institutions—especially if the appropriation is lump sum to the system from the legislature—then the legislature and governor's office must understand the formula's impact on individual institutions. The system office should hold regular meetings as necessary with the legislative leadership (especially with appropriations committees). Because turnover in the legislature is often more frequent than on campuses, members must be educated and re-educated about the process and its results.

Lump sum appropriations to the system benefit both legislators and the system. In Maine, from time to time, the legislature considers specific line-item appropriations to address particular needs in the system. Among legislators, board members, and university administrators, the threat of this intervention is taken seriously. In general, it has been resisted. In practical terms, maintaining lump sum appropriations to the university system as a separate state corporation relieves the Maine legislature of potentially divisive pressures.

On the other hand, there are operating budget appropriation processes in system structures, like Tennessee's, in which allocations are made by the legislature to the individual institutions. In such cases, decisions are based on formulas: allocations had been cleared by the institutions *before* the budgets are submitted to state government.

Above all, lump sum appropriations help direct planning, budgeting, and review responsibilities appropriately toward lay and paid leaders in education and away from the legislature. This can be particularly important when the legislature has to reduce allocations to the system during times of economic hardship. Although this approach places system boards in the difficult position of having to reduce

institution budgets, theirs is the proper *locus* of such decisions. Lay leaders may face the difficult question of whether to reduce across the board by institution (horizontally) or to reduce by program (vertically). If they choose to reduce across the board, members may believe that difficult choices about eliminating particular academic programs are being avoided. But others may think that vertical reductions threaten the unity of the system—that is, that some institutions may claim to be absorbing an unfair portion of cuts, thereby leading to an atmosphere of distrust. They may also believe that the managerial skills of institutional heads, in deciding whether to reduce programs or forgo activities, are being ignored.

Communication with Other Important Constituents

The system must also take the lead in *establishing relationships with other sectors of higher education*, including, in particular, independent colleges and universities. Although individual institutions in systems can forge their own partnerships with other educational entities, the system office should communicate to its constituent institutions information about higher education's environment in the state and the region. The system can be the vehicle for cooperating and strengthening relationships with independent colleges and universities (such as the participation of SSHE institutions in the voluntary Pennsylvania Association of Colleges and Universities), but it must also be, when appropriate, the vehicle for advocacy and negotiation when major sector differences arise.

Finally, another external relationship extremely important to systems is *its linkage to the business and corporate sector*. Higher education leaders must listen attentively to the concerns corporate leaders express about education. In doing so, they can prevent misconceptions and misunderstandings. The chancellor of the University of Maine System is particularly attuned to corporate leaders' views about the educational preparation of graduates entering business employment and to the needs of private-sector employees for education and retraining. Curricular modifications have been made at some University of Maine System institutions in technical fields because of the system's alertness to new and changing technologies articulated by the business community.

Summary

The governance of the systems in Maine and Pennsylvania appear effective from the perspectives of their principal constituents, a fact emphasized by the commonality of their vision. Based on our interviews, we can summarize the perspectives of these constituents.

System Board Members

- The statutes creating the system give the board the authority and flexibility to achieve educational and public policy goals.

- The statutes creating the system clearly identify and define the authority and responsibilities of the system board, institutional boards (if any), and external coordinating bodies (if any).

- Board members understand major state and national public policy and educational issues affecting the system and its institutions.

- The system's bylaws clearly define the roles and responsibilities of principal internal constituents, including their authority, accountability, and reporting relationships.

- The system is not simply another state agency, subject to the same budgetary and personnel regulations, but, instead, it has autonomy sufficient to enable it to manage its resources effectively to achieve the educational benefits envisioned in a system structure.

- Communication internally and externally is open, honest, and ongoing.

- *Internally*, the board receives information needed to plan and oversee the system, and it is kept sufficiently informed by its paid leadership to protect it and the system from damaging surprises.

- *Externally*, the board has sound communications with its primary constituents in state government so that it can act with the support and understanding of state officials.

- The system's paid leaders handle internal problems *before* they become public crises.

- The board has developed a sense of pride in the system, its quality and achievements, and there is an *esprit de corps* among its members. They feel a genuine sense of being full-fledged members of the board rather than representatives of regions or special-interest groups.

- Board members faithfully attend meetings of the full board and the committees to which they are assigned.

- Board members believe that their terms in office are long enough to permit them to "learn the ropes" and then use their expertise.

Institution Presidents

The heads of the colleges and universities are key to making a system function effectively. Many lead institutions that have political support sufficient either to undermine the system or to enhance its effectiveness. They place significant emphasis on the results of lay leadership at the board level as an *internal* constituency vital to system effectiveness. They agree with the system head that the evaluation of presidential performance should be conducted regularly to enhance the quality of presidential leadership. They see the following attributes of effective systems:

- The current system is better structurally and operationally than what preceded it.

- Presidents manage the daily operations of their institutions, and the system prevents political intrusion into that management (including presidential and senior staff appointments).

- The board and system head respect the office of the president and encourage and enhance presidential leadership both at the institution and system levels. Presidents are integral members of management teams that oversee system planning, policy development, and decision making.

- The organization keeps to a minimum inter-institutional, intra-system friction, particularly in public, especially when external constituents are involved, and provides an internal forum to address and resolve multi-institutional problems.

- The system is an effective advocate for the institutions and obtains state (and other financial) support for their operations.

- Board members appear to understand broader state and national educational and public policy issues.

- The board and the system head respect and encourage institutional identity and support managerial flexibility and accountability by the presidents. They reward presidents for effective leadership and management, especially in personnel matters, fiscal affairs, and fund raising.

- System heads understand the needs and challenges facing institutional presidents, and do not view themselves as chief operating officers of the institutions.

- The senior staff of the system office has had successful campus experience and does not duplicate institutional management activities.

The System Head

The system heads are the chiefs of staff to their boards and also chief executive officers through whom (or, at the very least, *with whom*) institutional presidents report to the board. They clearly understand their complex roles and relationships with the governing board and the presidents. They have great respect for the leadership roles of the institution presidents both at their campus and in system management, while also understanding that their duties as system head have moved them away from the day-to-day management of a college or university. They see systems operating effectively for the following reasons:

- There is board stability, and the board has given the system head the opportunity to lead and to be a spokesperson and advocate for the system.

- The presidents and system head respect each other and each other's perspectives—even when not in complete agreement. The institution presidents and the system chancellor have individual relationships

that are distinctive for each institution and its specific character, heritage, and needs.

- The system head makes strong, open communication a top priority throughout the system.

- Institution heads participate effectively in system policy development and general management. They support system consensus and decisions with external groups (especially with state government) or, at the very least, remain silent on issues with which they profoundly disagree.

- The system and its institutions have significant freedom from narrow state regulations and oversight.

- The statutes creating the system and the system's own bylaws make clear the roles, relationships, and duties of the system's principal internal constituents.

State Officials

- Elected officials believe that the system structures (while not perfect) are essentially sound, should be retained, are achieving their goals in service to the people of the state, and have strong, effective lay and paid leaders.

- They have confidence in the governing boards, their leadership, and the senior staff (system heads and institutional presidents).

(In part III we will speak further on the conditions that state officials see as necessary for *all* higher education structures.)

In sum, then, in Maine and Pennsylvania, all four constituent groups endorsed the organizational structure of their respective system. Their strongest words of support focused on *the essential, critical need for effective lay and paid leadership, qualities they could identify in their system leaders* in their internal and external relationships across geographic and partisan political lines. Without ignoring the roles of faculty members, students, and staff in academic governance—especially at the institutional level—sound, clearly defined working relationships and proper communication among these four principal constituents, based on respect for each other and their perspectives, are hallmarks of these effective systems.

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Part III: State Government and Public Higher Education

Introduction: The Special Relationship

The interaction between public institutions and state government occurs at many levels and on many issues. The key areas of contact involve governance and funding. States, in one way or another, "own" state colleges and universities. This special relationship has a major impact on governance, quality, and accountability.

As the 21st century rapidly approaches, public higher education approaches major crossroads. Funding has become tenuous as recessions seem to hit some sector of the economy or region almost yearly. The continuing decline in the state share of public revenues has major implications for state governance of public colleges and universities. Recent calls to reduce or sever the link between states and institutions (to create autonomous, "state-assisted" institutions) are not feasible or desirable for the vast majority of public colleges and universities—and their students. Instead, state government and public higher education must strengthen their ties.

Before embarking on modifications in governance structures, state policy makers should consider a broad array of issues. Simply "moving the furniture around" may not be cost effective, may disrupt the educational effort, and may not solve basic problems. Instead, state officials should consider a broad range of issues contributing to effective organization and operation, to quality and accountability.

Chapter 9:
Quality and Accountability

State policy makers have expected higher education's lay and paid leaders to assume responsibility for a broad range of activities, freeing state officials from potentially divisive, controversial, and inappropriate *internal* management decisions. However, state legislators and governors have not hesitated to propose their own "vision" for postsecondary education in statutes and in oral expressions of "legislative intent." State government has the authority to enforce, by statute, its expectations for accountability if those entrusted with that role are unable to do so—whether or not a state postsecondary structure has systems or strong coordinating commissions.

Taking the Initiative

Lay leaders of institutions, systems, and coordinating bodies working with institution leaders must be catalysts in challenging colleges and universities and their staffs to achieve quality, in keeping with their missions, in all they do.[1] Some system and coordinating structures have been created as part of an effort to raise quality and accountability standards.

Many state policy makers are demanding greater academic accountability from state institutions, and in states with systems and/or coordinating boards, they are turning to these bodies to take action and to report on the achievements of the institutions under their oversight.[2]

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[1]Quality must be understood in terms of institutional mission and should not be only "elitism." Quality also includes such issues as access and equity of opportunity, and educational and managerial effectiveness.

[2]For a more detailed discussion of quality and accountability issues from the perspectives of government officials and educational leaders, see *Perspectives on Higher Education Accountability* (Washington, D.C.: American Association of State Colleges and Universities, 1991), esp. "State Government and the State University," by Edgar B. Schick, from which portions of this section have been adapted. For a viewpoint on the shift in focus in some states to outcomes and performance, see *The New Accountability*, the 1987 "President to Presidents" Lecture, by Paige Mulhollan, also published by AASCU.

Even when there is a general consensus on effective structures, several accountability issues are prominent in the minds of state policy makers: student performance, faculty productivity, effective management, and articulation and transferability of academic credit among public colleges and universities.

Just as corporate leaders are challenged in today's highly competitive environment to achieve quality in their products and services, so, too, public colleges and universities, individually and within system governance and statewide coordinating structures, are expected to give account for their activities, i.e., to demonstrate how they are responding to the needs of their internal and external publics.

The competition for resources of all kinds is extremely keen in the public sector. Higher education is just one voice, among many, calling for federal and state funds to serve the public's needs. Frustrations among public officials—even among avid supporters of higher education—pressured on all sides to justify their funding decisions, often boil over into heated exchanges about their expectations for the use of past appropriations and the "value added" to society by the staff and faculty of public colleges, universities, systems, and coordinating agencies.

Effective higher education coordinating and governing structures—in the eyes of their government constituents, at least—have leaders who are responsive to public policy concerns, set reasonable yet challenging goals, develop sound priorities and plans to which they tie their budgetary requests and expenditures, and report tangible achievements over time.

Although systems and institutions prize autonomy and flexibility in the management of resources, they should spend funds—especially those designated for enhancement initiatives—on those projects for they were appropriated. If, however, priorities change, at the very least, they must alert their supporters in government when they must make different allocations of significant sums for justifiable reasons—*before* they commit the expenditures. Above all, effective higher education leaders do not promise legislators what they cannot fulfill.

In Maine there is an emerging idea about convening an annual "meeting of the minds" among key members of the legislature, governor's office, governing board, and paid leaders to reach agreement on what can and should be done by the university system for the upcoming year, and to determine a reasonable level of accountability which the

governor's office and legislator can expect. "Laying it on the table" in such a manner would open up communication and could avert unreasonable demands by state policy makers.

Accountability plans and progress reports should serve the following purposes

- to enhance the quality of the system or the institutions
- to facilitate the setting of basic planning goals to guide budgetary decisions
- to demonstrate to supporters enhanced quality and contributions to society over time;
- to demonstrate good stewardship of public funds.

In addition, effective higher education leaders understand and explain to public officials, who may tend to have a "one-size-fits-all" approach to institutional accountability, that there is no uniform, simple set of numbers defining quality for all institutions. Nonetheless, one of the internal challenges facing staffs of coordinating boards and systems is to explain to their colleagues at colleges and universities the need for reliable data to help respond to government concern about the achievements of public institutions.

Although accountability and assessment programs and reports are mandated by state government leaders and by governing and coordinating boards, the planning and implementation are institutional responsibilities requiring the full participation of the faculty. In both Maine and Pennsylvania, system leaders have set the overall procedure: as with the strategic plans for the systems, the specific details are handled by the faculty and administrators of the institutions.

Current Accountability Issues

Greater attention is being paid to the issue of faculty time and productivity, in part because of strains on fiscal resources but also because of questions about the quality and effectiveness of undergraduate teaching and learning, in particular. The challenge is particularly great for leaders in heterogeneous systems to respond accurately,

persuasively, and specifically to help external constituents understand the varying faculty duty assignments and expectations for teaching, scholarship, creativity, research, and service in universities with differing missions. A single numerical measurement does not fit all institutions, but identifiable outcomes can be reported.

During our site visits, the issue of transferability and articulation was frequently raised. People outside higher education see what appears to them to be inflexible transferability and articulation policies that force students and states to bear higher costs than necessary because of the increasing time required for students to earn degrees. This complex issue has been raised for years, and progress has been made as more students choose a wider variety of academic programs and change their career and academic goals. Nonetheless, the work is far from finished, and the policies and procedures used do infringe, at times, on institutional autonomy.

Fiscal accountability is a natural companion of fiscal autonomy and decision making authority. In the four states visited, institutions and coordinating and/or system structures welcome their fiscal accountability and are extremely careful to give state officials no reason to reduce their managerial authority, particularly in financially trying times. Maine has given its university system significant autonomy from state regulation. By law, the system is not an agency of state government: it is a not-for-profit, public corporation. As a result, the system and its universities are not required, for example, to adhere to state purchasing and personnel regulations or to participate in the state health and retirement programs. This degree of fiscal and management flexibility allows the system to operate much more efficiently than would be possible under state regulations. In the Pennsylvania SSHE, every university must operate with a balanced budget, and the system is ready and able to solve managerial shortcomings internally, without state assistance. In Tennessee and Ohio, because of spending flexibility granted to individual institutions, regular spending plans and reports are made available to state government authorities.

Summary

There will always be differing perspectives and tensions between institutions, within systems and coordinating structures, and between higher education and its external constituents, particularly state gov-

ernment. Effective leaders and organizations are energized by these tensions to develop creative strategies to demonstrate their achievement of quality over time on behalf of their students and other citizens.

Standing, as they do, at the convergence of higher education's traditions and aspirations on the one hand, and the public's pressures for quality, access, effectiveness, and accountability on the other, coordinating boards and systems are continually challenged to "translate" the hopes, accomplishments, and frustrations of each group into the other's "language" and to forge a consensual vision that will continue to build support based on mutual commitment to quality.

Chapter 10: Points for State Government to Ponder when Reviewing State Higher Education Governance

Recent governance reorganizations have been prompted by a number of factors:

- Some have perceived *instability* in postsecondary education and among institutions.[1]

- In some cases higher education has been criticized for its inability to take the lead in identifying and resolving major public concerns in a coordinated, comprehensive way. Such issues include demographic shifts in size and ethnicity of the population, access, and the need for economic development.[2]

- Conflicts among public officials, arising from regional or institutional loyalties, may stimulate serious consideration of reorganization.

- Evolutionary changes in the mission of one or more prominent public colleges or universities may alter the balance and aspirations of a major region in the state.

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[1]From another viewpoint, the structure's *stability and continuity* may be the very reasons for governance reorganization: for example, the governor may believe that the structure is unresponsive (too "set in its ways" or too conservative) to public policy initiatives he or she perceives to be essential.

[2]Indeed, tension is common between proponents of long- and short-term visions of needs to be addressed. Furthermore, access to higher education leadership may seem too indirect and authority too diffuse. Some governors would welcome a structure in which contact with a single individual is all that may be required for access to effect change or implementation of policy proposals.

State government officials (elected and appointed) should understand the following points before they consider legislation to alter organizational and operational relationships.

- There is no single structure or organization that is best for every state, for all colleges and universities, or for every time.

- Change *for its own sake* is simply not worth the costs in terms of disruption, distraction from principal educational activities, and the financial burden of a transition. Reorganization will probably not result in immediate, tangible improvements in teaching and learning at the institutional level.

- Statutes and resulting regulations should be *clear* in the assignment and delineation of responsibilities among higher education's various constituencies. This need is particularly important when legislation creates or modifies the relationships of several levels of coordinating and governing boards, both systemwide and/or institutional.

- A structure should not be tailored to particular leaders (lay or paid), no matter how energetic, talented, or popular they may be. Instead, it should be designed to *outlive* individuals and specific challenges and, therefore, be equipped to address changing needs and situations. A structure should make it possible for individual institutions to attract bold and innovative leaders with the authority to manage their campuses.

- Legislation should provide procedures that encourage the recruitment, appointment, and orientation of a diverse group of outstanding citizens of integrity for board membership who will have the energy, time, and ability to devote sustained attention to their work and who will not promote personal agendas or feel compelled to "represent" a group to the board. The lengths of terms should encourage stability, as well.

- Legislation should be limited to broad statements of policy with the clear understanding that specific implementation is the responsibility of lay and paid higher education leaders. Statutes should provide boards with "the tools"—autonomy, flexibility, and accountability—

required for effective stewardship. If, however, state government leaders wish to encourage certain policy issues as matters of "legislative intent" (e.g., quality, access, effectiveness, multi-year planning), they should identify these matters in broad policy terms in statute so that future leaders can be guided by these expectations. For example, legislation should probably not mandate specific titles for leaders of institutions and systems, but, instead, direct the governing board to do so. Similarly, if participation by faculty and student groups in governance is a critical issue, then broad policy principles in that regard should be directed to the governing board, rather than mandating specifically named councils.

- System structures should be organized around *homogeneous* institutions (in terms of heritage and/or mission) or recognize the heterogeneity of the constituent institutions and encourage board(s) to make allowances for differences among them and their particular missions.[3]

- Size, i.e., the number of institutions in a system structure, should be carefully considered. Size makes a difference. The benefits of size and influence should be weighed against the impact on local and individual initiatives and on the involvement of institution leaders. As noted, the number of constituent institutions in a system affects the management style of its leaders. Unless care is taken, a large system may discourage direct, active involvement by institution heads and relegate them to the role of onlooker in both official public sessions and in the informal settings when board members and senior administrators from the system mingle, become better acquainted with each other, and quietly discuss sensitive issues. *In any event, the number of institutions in a system is more critical in this regard than the number of students.*

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[3]For example, in Maryland, 1988 legislation mandated that the new Board of Regents develop policies to recognize the special role of the flagship University of Maryland-College Park and to enhance the Historically-Black institutions, undergraduate education, and teacher preparation, among a number of issues. The goal was to see that the needs of the people of Maryland within higher education were met in a balanced approach that recognized special missions and statewide educational priorities.

- If senior administrators with line responsibility for systems and institutions are to be held accountable for the performance of their duties, they must be given the administrative "tools" needed to be effective, efficient managers. State fiscal regulations may need to be modified to achieve this goal, as they have been recently in a number of states. Institutions and systems should be allowed to reallocate resources between personnel and non-personnel lines, carry over funds from fiscal year to fiscal year, and retain (credit for) tuition and fee revenues at the campus level. To the extent possible, responsibility for management at the institutional level should be vested in institution heads.

- Policy makers and lawmakers should ponder the issues of balance among the boards of public institutions and systems. Is it in the best interests of the public at large and postsecondary education to create a structure in which some institutions are in systems and some have their own individual, independent governing boards? Or will higher education's needs and ability to meet public expectations be achieved if the balance between/among systems in terms of size of budget and governance is quite uneven? In other words, how clear and logical is the rationale for grouping institutions into specific structures?

- Legislation on system structure should recognize institutional identity and initiative and the loyalty shown institutions by their many internal and external constituents and friends. Mergers and other reorganizational arrangements (e.g., name changes or moving parts to other units) should be permitted only with the prior approval of the institutions and then with the approval of the governing board(s) and the legislature and governor.

- Enabling legislation should allow sufficient time for careful implementation of any new structure and its activities. Transition time (at least one fiscal year) should be allowed before abolition of an existing structure and the initiation of a new one. Rapid, radical change may

divert the attention of educators away for their primary responsibilities.[4]

Sustaining the Organization and its Effectiveness: State Government Attitudes and Actions

What must state government do in order to sustain a successfully operating state higher education structure, be it new, modified, or well-established? Thoughtful, experienced legislators in the four visited states had the following insights:

- There must be respect for integrity of the structure of higher education. The respect for the legal bodies of the political process—the legislature, the executive branch, and the courts—must also extend to the governing board and to the system and/or the coordinating body. State officials should understand that the lay boards and commissions are the statutory bodies charged with overseeing higher education—its systems and institutions—and serving as the link between higher education and state government and the people. Therefore, lay boards and commissions must be given the freedom to govern or coordinate, and be held accountable.

- If a system exists, its leaders must thoroughly understand the nature of the institutions governed. In Maine, for example, there had been passing interest in the idea of one system to include both the vocational-technical schools and the institutions within the University of Maine System, although most in the legislature opposed it. The significant differences in heritage, constituencies, and missions

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[4]Two different approaches may be instructive. When the current University of North Carolina System was created in the 1970s, a decision was made to provide, initially at least, for some overlap of membership on the governing boards to encourage stability and to maintain institutional memory during the transition to the new system (of about two years). In Maryland, there were few continuing lay appointments. Only about two months were allowed between passage of the legislation and its implementation. Initial board appointments were made two weeks after the initiation of the new structure, and at least two years were consumed, to a substantial degree, with frequently unproductive struggles among various constituencies that could have been resolved with less disruption during a cooperative transition by people who had supported the proposed reorganization in the first place.

between the two kinds of institutions were recognized as potential areas of friction that would inhibit the effectiveness of all.

- Members of the legislature's education and appropriations committees and the governor's cabinet should request regular orientation sessions on major higher education issues and budget requirements, including matters related to structure. Such a briefing would be especially valuable for new legislators. As suggested by the co-chair of the legislative education committee in Maine, such an orientation could be conducted jointly by higher education and the legislature.

- Every effort should be made to discourage the regional and (partisan) political tensions that reside in the legislature from spilling over into the work of lay boards. The containment of narrow parochial regionalism is essential to sustain an effective statewide vision within the board(s).

If higher education leaders believe that the current structure is an improvement over its predecessor or over structures in other states, they should help state government leaders perceive the benefits and should enlist their continuing support for its operations.

During our visits we found among legislators with responsibility for higher education a belief in the structure and the people who lead it, even though this support was tempered by occasional criticism. For example, a sense of pride of creativity and ownership was quite evident in the attitudes of long-term Pennsylvania legislators in their assessment of the SSHE. Similar evaluations were also common in the other states visited.

In Maine and Tennessee about a quarter-century had elapsed between the creation of the structure and our visits. Government leaders not only had faith in the structures' leaders but also recognized that the passage of time may be required before assessment should be made of a structure's effectiveness in achieving long-term goals. Consequently, they had resisted the temptation to make modifications motivated by short-term pressures.

In Ohio, legislators occasionally ponder a structural change in governance or in the Board of Regents when criticism rises on some particular issue or when state budgets get tight, but major restructuring

is highly unlikely because of their realization that the current structure provides the best mechanism to respond to state problems.

State officials appear to have confidence in a structure that

- encourages good communication between government and educational leaders and thereby limits public surprises and public disputes
- encourages cooperation among higher education institutions; enhances access, quality, and effective management; and encourages the leaders of a system (and its institutions) to address and solve their own problems internally, as much as possible, without government intervention
- provides government officials with reliable, timely information that helps them understand priorities and procedures for resource allocations within higher education and also assists them in ensuring that major public policy issues are being addressed
- helps state leaders understand information (when possible, over time, in quantifiable and graphic displays) from system leaders on successes and achievements, on major issues, and on needs and problems to be addressed
- allays the worst government fears and suspicions about higher education accountability on such issues as faculty productivity, transfer of student credits, and enhancement of quality, access, and equity.

Part IV: Conclusions

Introduction

For decades, as higher education has gained increased importance and attention in our society, we have been inventing, experimenting, and modifying ways to direct this enterprise, to govern it, and to coordinate the efforts of its colleges and universities.

The structure of governance and coordination have been the subject of debates proceeding from "matters of principle," theoretical considerations, and political concerns. It can be quite costly to yield to the temptation to "move the furniture around" for the sake of change, to "right some wrong," to imitate some golden model, or to install new leadership. Costs and marginal improvements caution us to look carefully at what we do and how we do it. Yet remaining wedded to an outmoded, stagnant organizational principle that no longer offers the flexibility for leadership at a time when society has great expectations of us, is equally foolhardy, especially if unfounded and uninformed prejudices lead to paralysis.

Governance and *coordination* are not two radically different ways of organizing the structural relationships among colleges and universities. Instead, their lines of demarcation are fluid. They are, perhaps, points along a continuum in the effort to balance the aspirations and expectations of both external and internal "stakeholders"—in the case of public higher education, frequently government and the university. Coordinating boards and governing boards provide leadership and direction, exercise authority, transmit important messages among the "stakeholders," and contest with ideas, visions, and—at times—harsh political reality. Governors and legislators—and often their staffs—are not content to watch from the sidelines; they expect to be active and central participants.

We have been led to a series of observations and recommendations primarily from our review of coordinating and governance structures (and of those who lead their operations) in four states, aug-

mented by the insights of professional colleagues, and by our own experiences as well. Some may be new and unique. Others are similar to those made by other observers over the years; perhaps such instances of repetition emphasize their continuing importance.

Chapter 11: Observations

Governance and coordinating structures are important. They may facilitate the operation of colleges and universities, or they may make it more difficult, frustrating, and less effective, discouraging otherwise competent leaders from being creative.

- An understandable fascination with governance structures *per se* may obscure the *raison d'etre* for higher education: teaching, learning, scholarship, creativity, and service that occur at colleges and universities.

- Proposals for change and debates over structure reflect the concerns and goals of those who initiate the proposals. On occasion the goals could be achieved within the framework currently in place.

- No structure or organization guarantees good results. Similarly, many colleges and universities seem to rise above *structures* which, to some, might appear to be *strictures*.

- The managerial size of a public university system is measured in terms of the number of institutions rather than by the number of students.

- In any state what is in place reflects history and geopolitical decisions—some as important as the allocation of opportunity; some, perhaps, as trivial as a fad or a penchant for organizational neatness; some, regrettably, as insidious as "turf battles." These underlying factors undergo change over time.

- State higher education structures will undergo periodic stresses. But valuing the structure and giving it time to deal with the problems at hand is essential to creating and sustaining a stable higher education

organization to the benefit of academic and administrative effectiveness.

- A new structure requires changes in individual and institutional behavior both within the organization and in the agencies that interact with it. These changes often do not come quickly or easily. A new structure takes time to implement and to evaluate.

- Both types of bodies, coordinating and governing, exercise power, and, in fact, share authority (to varying degrees) over higher education. In some states coordinating bodies make governance decisions, but there seems to be no way to hold them accountable for the results of their actions. Problems can occur when there is lack of clarity about the roles of various bodies and when coordinating bodies can mandate governance decisions with major human and financial resource implications.

- Structure by itself does not determine effectiveness of operations or degrees of institutional autonomy. Having or not having local/institutional boards is no certain sign of an environment conducive to institutional autonomy or to presidential quality, initiative, or effectiveness. In university systems, a high degree of institutional autonomy is not only desirable but also possible.

  As structures have become increasingly complex, *effective operational principles are critical*. These include making the best use of opportunities for creativity, enhancement of efficient management throughout the structure, decentralization, and open communication with higher education's many internal and external stakeholders.

- Problems are addressed and solved internally, cooperatively, or voluntarily by the major internal constituencies of institutions or systems, precluding the necessity for legislative or gubernatorial involvement.

- A well-informed board, legislature, and governor's office are the best allies of higher education institutions and their paid leaders.

- State government leaders believe that the structure is well managed when they are receiving accurate, useful information in a timely fashion, when communication is enhanced between them and university leaders, and when well-defined accountability expectations are being met.

- In effective structures, operational principles focus on measurement of performance, outcomes, enhancement of leadership, quality, excellence in teaching, learning, scholarship, and creativity.

- Focus on the *management of inputs* can lead to bureaucratic growth, to delay in innovation, and to a shedding of responsibility by those who have most control at the site of activities.

- Accountability is essential. However, paid leaders can only be held accountable for the outcomes the institution seeks if they are given authority and if they are not subject to micro-management by government officials or by staff in "central" coordinating or system offices.

- Autonomy is one of the most cherished traditions of higher education. In many ways it is an ally of decentralization. Institutional autonomy need not be jeopardized by the public demands, through governors and legislators, for accountability and a return on the public's investment.

- Limitations on institutional autonomy often lie outside of higher education and its administration. State operating regulations and policies frequently have greater intrusive impacts even among the most well-intentioned states (e.g., state purchasing regulations and collective bargaining managed outside of higher education).

- In effective system structures, all leaders speak externally with one voice (or, at least, keep silent if they are in sharp disagreement on an issue) after internal debates and discussions are concluded and consensus achieved to avoid public divisiveness among lay and paid leaders and state officials, which is costly and damaging to education. This effort is enhanced when institution presidents participate actively in the development of system policy and action proposals.

- Effective systems involve institution heads in systemwide issues of planning, priority setting, and management. Effective systems treat and respect institution heads as academic leaders and regard them as members of a system policy making team. "Top down" managerial directions occur far less frequently if broad participation in policy making is encouraged.

The quality of lay and paid leadership is often more important than structure and is the sine qua non for effective educational and managerial operation. This is particularly true for governing and coordinating boards.

- Lengths of terms of lay board members and officers are critical. At least two years are needed just to learn the ropes in order to assert their independent leadership. Short terms increase dependence on government officials and on paid senior administrators—and their staffs, reducing their ability to lead and provide wise counsel to others. They also may reduce available "institutional memory."

- Boards of trustees of individual institutions or of systems are *internal* constituents, yet they must be simultaneously keepers of the public trust. Holding public colleges and universities "in trust" means that board members have dual functions: advocacy and encouragement so that the institutions achieve their greatest potential; and watching out for and articulating the public's welfare and investment.

- If having separate institutional boards is considered essential to institutional autonomy and effectiveness, these boards—just like system and coordinating boards—must be selected with care, be strong and effective, and function at a high level.

- In effective structures boards/commissions develop, over time, their own momentum, life, and character and can absorb the dissension or insights of new members. They will provide sustained attention to the enhancement of institutional effectiveness and to critical educational and public policy issues in spite of periodic fiscal problems or changes in the executive or legislative branches of government. They act as a "buffer" against the most blatant political intrusion in the administrative and academic life of the structure and its colleges and universities.

- While diversity of background and experience among board members is important, geographic or constituency "representativeness" exacerbates division and may skew agendas.

- Boards make political decisions through the allocation of resources and the appointment of professional leaders. In the bitterest of times board decisions can be hotly contested and sharply attacked. But the best boards, we have observed, debate with civility and act as one, not as a collection of individuals.

- Effective boards know how their operations compare with others. Boards may measure the accomplishments of their institutions against goals they set independently of any others. But boards cannot measure effectiveness or quality unless they understand what similar organizations do, how they compare in costs and results, and even the range of their aspirations.

  Paid leaders make a difference, including presidents, chancellors, vice chancellors, vice presidents, provosts, and deans. Inspiring institutions to find worthy goals, planning, and leading institutions to accomplish important ends requires talent and perseverance.

- Sunshine laws can exclude many high-quality candidates from allowing themselves to be considered for positions as president, system head, and SHEEO. Perfectly legitimate personal and institutional reasons may warrant a respected educator's decision to explore positions privately rather than in the glare of the spotlight. Interference by outside parties early in the search process can often influence the outcome long before the final stages of the search have been reached.

- Although presidents who work directly under their own institutional boards stress the importance of this symbol of autonomy, system structures, *per se*, do not seem adversely to affect presidential quality or effectiveness. Presidents of quality demand and find responsibility and opportunities for effective leadership under any governance structure.

- College and university presidents within effective systems play major leadership roles in the planning, policy development, and overall operation of the system—in addition to their institutional duties. They are required to develop and maintain a broad, multi-institutional vision of higher education's opportunities and obligations.

- Often a president must cajole a board or a system head to recognize the realities of a situation, new or old, potential or at hand. Similarly, boards or system heads may need to encourage a president to face a problem and to understand a situation they see from a different perspective. While friction can result, the enterprise profits when these matters are handled with high standards of respect for individuals and their obligations.

- Presidents of public colleges and universities in a structure without systems must be able to work well in the external, politically charged environment. In addition, they must work cooperatively with each other and with a coordinating board, if one exists.

Chapter 12: Recommendations

Based on our observations throughout this study, we offer a number of recommendations on crafting or enhancing a highly effective governance or coordinating structure for public colleges and universities.

Organization and Structure

- Before major structural changes are undertaken—often at great cost—policy makers may find evaluation of the current organization and efforts to work with it to be the most profitable strategy. Problems may stem more from personalities than from structure.

- Because no one structure is universally the best, structures should be customized for each state. Other states' structures may be studied, but they should not be automatically copied.

- Governance structures should be developed and maintained to facilitate the leadership of paid leaders and institutional autonomy, strength, and accountability for measurable achievements over time. Attention must be focused on the basic purposes of colleges and universities (and their human and financial resources and investments) rather than on structure or on boards/commissions and their staffs.

- Leaders of coordinating boards and systems must be able to explain and document the "value added" by the structure and the administrative staffs, both at the "center" and at the constituent institutions.

- Once a governance structure is in place, elected state leaders should demonstrate a respect for the integrity of the structure and its lay and paid leaders. Education leaders require time to solve perceived problems, be they access, quality, communication, and the like.

- Structures should not be tailored to "fit" individual lay or paid leaders, no matter how well respected they may be.

- When creating a new structure or making major changes, statutes and attitudes must allow sufficient time for a transition. After the structure is changed, additional modifications should not be proposed prematurely.

- The rationale for balance of higher education structures in the state should be weighed carefully, including sound reasons for incorporating some institutions into a system while leaving others with individual boards.

Operations and Communication

- Legislation should make clear distinctions in the assignments and expectations of various groups, boards, agencies, or systems. Two or more bodies should not be given overlapping duties.

- Legislation should not authorize a body to make decisions for which it does not have to be accountable or to pay for the results.

- In some states systems with a large number of constituent colleges and universities are the natural result of the size of the state and/or the number of its public institutions. Therefore, if large systems are (re)created, the span of control and oversight of the board must be weighed carefully. Attention should be given to effective communication procedures within the system. Board members should be familiar with the institutions under their governance and maintain contact with the institution heads.

- If heterogeneous public university systems, containing colleges and universities of a variety of missions, are created, enabling legislation should indicate that the governing board is to consider the varying missions and support all institutions equitably according to those missions.

- Legislation should address general policy goals only and leave specific implementation to the lay boards that are created. Boards should have the authority to develop formats, titles, and operating

arrangements within their own bylaws. For example, legislation may mandate consultation with faculty, presidents, staff, and students but should leave specific titles of the bodies to the lay board. Accountability plans and reports may be required, but the contents and format should be developed by educators and approved by the lay board. The title of the structure's chief paid administrator should probably be assigned by the board rather than presented in statute.

- Given the openness of today's social and political processes and the legal and political redress open to anyone who is aggrieved, states may want to reconsider the benefit of limiting their choices in favor of publicity. When conducting searches for key paid leaders, states should either suspend sunshine laws to ensure the confidentiality of candidates or modify them to ensure confidentiality through all but the final phase of the selection process.

- Public college and university systems must identify and capitalize on those things their institutions can do jointly to make the whole greater than the sum of its parts. Examples include the sharing of resources such as instructional television, libraries, computers (hardware, software, and talent) and lending of emergency funds to other institutions in the system.

- Leaders in public higher education should view accountability plans and reports as an opportunity to engage in fruitful dialogue with external supporters, to report with pride on the achievements of their institutions, and to build the case for support.

- Leaders should develop an ongoing, formal mechanism for regular dialogue between the legislature and the governor's office, and board members and senior staff on critical state issues. Invitations to such meetings should include all board members and *not* exclude members appointed by previous governors or legislators, regardless of party affiliation. Mutually agreeable goals between higher education and the state for institutional or system accountability should be set and reviewed yearly or biennially.

- Funding formulas and lump sum budgets need to be explained to the legislature and staff regularly so they understand how and where state appropriations are used.

- Lump sum budgeting or budgeting along broad lines from state governments for universities or systems is preferable to line-item appropriations.

- Public higher education should engage in "reverse political intrusion" with state government. Educators must be in the vanguard of accountability issues and information sharing. Lay and paid leaders must take initiative in identifying and responding to major public policy issues. Higher education should strive to provide expertise to state government on critical matters facing the state and region.

- Boards should foster a climate within the structures under their oversight that encourages two-way communication. This involves listening as well as telling. They must understand the needs and ideas of higher education's various "stakeholders." Governors and legislators are more likely to be supportive if they believe that higher education's lay and paid leaders understand the political constituencies officials represent. Listening does not mean capitulation, but without two-way communication, boards and their senior staff limit their ability to govern and coordinate.

- It is essential that efforts be made by leaders and staff at institutions and in system and coordinating offices to enhance communication and understanding of roles and problems of both. Staff should be shared, and internships and temporary assignments should be provided for campus-based faculty and for staff in system/coordinating board offices.

- There should be a vehicle for communication and consultation among faculty members, students, mid-level administrators, and the board. Such a vehicle dare not, however, be used to by-pass the direct reporting lines of presidents and system heads to their boards.

- As much as possible, structures must decentralize day-to-day operations throughout the organization and among the institutions, while providing for collective participation (if not final decisions) in long-range planning. Decentralization and autonomy sometimes are seen only as the institution looks up the government's control ladder. In reality, they apply to systems and colleges and universities as well.

- Boards have a special responsibility for maintaining appropriate levels of autonomy for their institutions. Arguments for adequate funding and freedom to manage financial and personnel affairs gain credibility when operations work well and when timely information is made available on issues of concern to the public.

- More fiscal flexibility (not less) should be provided to higher education leaders in times of budgetary crises. Decision-making authority should be assigned as close as possible to the people affected. Operations should be decentralized, as much as possible, within broad board policies, and those to whom assignments are given must be held accountable.

- Higher education must maintain close ties to the corporate sector to understand their views of college graduates and the educational needs of their businesses.

Leadership

- State government must provide for procedures that encourage the identification, recruitment, appointment, and orientation of a diverse group of outstanding citizens for service on public higher education boards. Procedures that lead to board appointments to "represent" special interests, regions, constituencies are to be avoided.

- Board members may be chosen in a variety of ways. Gubernatorial appointment may be the best. However chosen, members should be outstanding individuals. The positions they hold should be among the most prized in the state.

- There is no magic length of term for membership and officer positions on boards and commissions, but they should not be too short. Members' appointments should probably be for six years. Consecutive two-year terms for chairs are important to maintain strength in these extremely important positions.

- Lay boards must be given the "tools" in statute to conduct their activities in the public interest and to achieve the broad goals with which they are charged. Such "tools" include managerial autonomy and flexibility and clarity of assignments, responsibility, and ac-

countability. For example, the structure needs budgetary authority to move funds within fiscal years and to move funds during years to maximize outcomes rather than to follow a controller's regulations. If there is collective bargaining, higher education leaders should have the authority to "bargain" rather than having that power assigned to a separate, non-educational negotiating commission (which does not have to "manage" the results of its negotiations).

- Lay members of the various boards of systems, institutions, and coordinating bodies in a state should meet regularly to share information. Programs for orienting new board members to their role are essential.

- Lay members of governing and coordinating boards and senior staff of institutions and system offices must develop systematic ways to anticipate, remain alert to, and respond to major state and national public policy issues and trends affecting higher education.

- Aspiring system heads or SHEEOs, be they a university president or not, should be encouraged to undertake a fellowship experience similar to that provided to aspiring senior administrators by the American Council on Education Fellows Program. Such an experience could be with one of the higher education associations. It should provide an opportunity for aspirants to spend time with effective systems and system heads. With a board's concurrence, the fellowship experience could also occur after a candidate has been selected and prior to an official starting date. The leadership skills and sensitivities required in such positions necessitate such an experience.

- Governing boards should support the efforts of the paid leaders to enhance effectiveness (quality, access, efficiency, and change [if needed]), especially when these leaders are fulfilling (controversial) mandates from the board itself.

- In systems with a flagship university a positive partnership between the system head and institution head must be encouraged.

- Presidents should be evaluated in terms not only of their institutional leadership but also of their contribution to the statewide structure (system or a coordinating body). Important as it may be on occasion to assert the independence of a single institution, more often the state and the structure benefit from cooperation. When such activity is initiated or enhanced by presidents, they should be recognized for their contributions.

Appendix A

Authority of State Boards of Higher Education**
1990

Consolidated Governing Boards		Coordinating Boards With Program Approval Authority			Coordinating Boards With Program Review and Recommendation Authority Only			Planning Agencies
Board for All Public Institutions	Board for All Senior Institutions; Separate Agency for Community Colleges	Consolidated or Aggregated Budget (d)	Budget Review and Recommendation (f)	No Statutory Budget Role	Consolidated or Aggregated Budget (d)	Budget Review and Recommendation	No Statutory Budget Role or Program Approval	
Alaska Georgia Hawaii Idaho (a) Maine (c) Montana (a) Nevada North Dakota Rhode Island South Dakota Utah Puerto Rico	Arizona Florida (a) Iowa Kansas Mississippi New Hampshire (b) North Carolina Oregon Wyoming Wisconsin (e)	Alabama Arkansas Illinois Maryland Massachusetts New Jersey Ohio Oklahoma South Carolina	Colorado (f) Connecticut Indiana Kentucky Louisiana Missouri Nebraska Pennsylvania (a) Tennessee Texas (f) Virginia Washington	New York (a)	Florida (a,b)	Alaska (b) California Minnesota New Mexico (g) Oregon (b)	New Hampshire (b)	Delaware Michigan (a) Vermont District of Columbia West Virginia (h)

Notes:
(a) States with agency responsible for all levels of education
(b) Separate statutory coordinating agency
(c) Maine Maritime Academy and Vocational-Technical institutes are under other boards
(d) Separate institutional budgets may be included in consolidated or aggregated budgets
(e) state Board of Vocational, Technical and Adult Education is separate from Board of Regents
(f) Boards develop the formula on the basis of which allocations are made to institutions
(g) Statutory authority related to programs provides only for approval of new graduate programs
(h) West Virginia Secretary of Education and the Arts has authority to coordinate rule making by the state's two multi-campus boards

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Patterns of Campus Governance**

Consolidated Governing Boards		Regulatory Coordinating Boards (f)			Advisory Coordinating Boards (g)			Planning Agencies		
Board for All Public Institutions	Board for All Senior Institutions, Separate Agency for Community Colleges	Multi-campus or Segmental Systems	Mixed Single Institutional Boards and Multi-campus or Segmental Systems	Primarily Single Institutional Boards	Multi-campus or Segmental Systems	Mixed Single Institutional Boards and Multi-campus or Segmental Systems	Primarily Single Institutional Boards	Multi-campus or Segmental Systems	Mixed Single Institutional Boards and Multi-campus or Segmental Systems	Primarily Single Institutional Boards
Alaska (b) Georgia Hawaii Idaho (a) Maine Montana (a) Nevada North Dakota Rhode Island South Dakota Utah (D) Puerto Rico	Arizona Florida (a,b) Iowa Kansas Mississippi New Hampshire (b) North Carolina (D) Oregon (b) Wisconsin (e) Wyoming	Florida (a) Illinois	Alabama Arkansas Colorado (d) Maryland Massachusetts New Jersey Oklahoma South Carolina Texas	Ohio (I)	Alaska (b) California Connecticut Louisiana Minnesota New York (h,A) Oregon (b,e) Tennessee	Indiana Missouri New Mexico Pennsylvania	Kentucky (I) Virginia (I) Washington (I)	District of Columbia Nebraska West Virginia (j)	Delaware Vermont	Michigan

Notes:

(a) States with agency responsible for all educations levels.
(b) Alaska, Florida, Oregon and New Hampshire have coordinating agencies in addition to a consolidated governing board.
(c) Maine, Maritime Academy and vocational-technical institutions are under separate boards.
(d) Colorado Commission recommends to legislature the relative proportions to be appropriated to each institution.
(e) Office of Educational Policy & Planning is in governor's office and is not a separate board.
(f) Regulatory boards produce a consolidated budget for all institutions or an aggregated budget.
(g) Advisory boards review and make recommendations to the governor and legislature on separate institutional budgets.
(h) New York Board of Regents does not have budget authority.
(i) Planning agencies have neither program nor budget authority.
(j) West Virginia Secretary of Education and the Arts has authority to coordinate rule making by the state's two multi-campus boards.

Institutional Boards:

(I) Each public institution has an independent, autonomous board.
(A) Each institution under the jurisdiction of the multi-campus system has a board with limited advisory authority.
(D) Each institution under the jurisdiction of the multi-campus system has a board with authority delegated by the system board.

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Appendix B

Persons Interviewed for the Study (positions at time of interview).

Maine
Project staff interviewers: Richard Novak, James Norton

University of Maine System

Board of Trustees:
Patricia Collins, Chair
George W. Wood, III, Vice Chair
David Flanagan, current member and former chair
Owen Wells
Ralph Hodgkins
James Caron
Kevin P. Mahaney
Bennett Katz
Penny Harris
Nancy Masterson

Richard Morin, former chair
Harrison Richardson, former chair
Joseph Hakanson, former chair

System Office:
Robert Woodbury, Chancellor
William Sullivan, Vice Chancellor for Administration
Mary Ann Haas, Associate Vice Chancellor
Richard Bowers, Vice Chancellor for Academic Affairs
John Lisnick, Assistant to the Chancellor for Governmental Relations

Institution Heads within University of Maine System:
Michael Orenduff, President, University of Maine at Farmington
Frederick Reynolds, President, University of Maine at Machias
James Roach, President, University of Maine at Presque Isle
Richard Dumont, President, University of Maine at Fort Kent
George Connick, President, University of Maine at Augusta
Richard Pattenaude, President, University of Southern Maine
John Hitt, Acting President, University of Maine

Private Higher Education:
Louis Rabineau, President, College of the Atlantic, and President, Maine Independent College and University Association
William Cotter, President, Colby College

Legislature:
Speaker John Martin
Rep. Nat Crowley
Rep. Omer Norton
Sen. Judy Foss
Sen. Michael Pearson
Sen. Steve Estes

Governor's Office:
Sawin Millet, Commissioner of Finance

Private Citizens:
Wilma Bradford
Donald Nicholl

Private Sector:
Beth Reuthe, IDEX Corporation

Public Schools:
Robert Kautz, Superintendent of Schools, Wells-Ogunquit School District

Faculty Union:
Andrew Potts, Professor, University of Southern Maine

Ohio
Project staff interviewers: Richard Novak, James Norton

Ohio Board of Regents
Alva T. Bonda, Chair, Board of Regents

Regent's Staff:
Elaine Hairston, Chancellor
William Napier, Vice Chancellor

William Coulter, former Chancellor

Institution Board Members:
Charles Taylor, Board of Trustees, University of Akron
Ben Ammons, Board of Trustees, University of Akron
Emily Mackall, Board of Trustees, Youngstown State University

Institution Heads:
William Muse, President, University of Akron
John Flower, President, Cleveland State University
Paige Mulhollan, President, Wright State University
Clive Veri, President, Shawnee State University
Paul Pearson, President, Miami University
Charles Ping, President, Ohio University
Bernard Gillis, Provost and later Acting President, Youngstown State University
Michael Schwartz, former President, Kent State University

University Representatives:
Mary Noonan, Executive Director, InterUniversity Council
Paul Poorman, Special Assistant to the President, Kent State University
William Hanger, Director of Institutional Relations, Miami University
James McCollum, Assistant to the President, Youngstown State University

Private Higher Education:
Larry Christman, President, Association of Independent Colleges and Universities of Ohio

Legislature:
Rep. Ronald Gerberry
Rep. Wayne Jones
Rep. Don Czarcinski
Rep. Dan Troy
Rep. Patrick Sweeney
Sen. Cooper Snyder
Sen. Eugene Watts

Governor's Office:
Jean Droste, Special Assistant to the Governor for Education

Pennsylvania
Project staff interviewers: Richard Novak, Edgar Schick, Houston Elam

Pennsylvania State System of Higher Education

Board of Governors:
F. Eugene Dixon, Jr., Chair

System Office:
James McCormick, Chancellor
Janice Fitzgerald, Executive Deputy
Mary Emily Hannah, Vice Chancellor for Academic Affairs
Wayne Failor, Vice Chancellor for Finance and Administration
Edward Kelly, Jr., Vice Chancellor for Employee and Labor Relations
Sally Souris, Vice Chancellor for Advancement
Edward Nolan, Director of Governmental Relations

Wayne Richardson, Chief Legal Counsel
Brenda Foster, Assistant Director, Governmental Relations

Institution Heads within the State System:
Foster Diebold, President, Edinboro University
James Gilbert, President, East Stroudsburg University
John Watkins, President, California University
LaVerne McCummings, President, Cheyney University
Diane Reinhard, President, Clarion University
Rod Kelchner, President, Mansfield University
Anthony Ceddia, President, Shippensburg University

Legislature:
Rep. Jere Schuler*
Rep. Ronald Cowell
Rep. Jeffrey Coy*
Sen. Patrick Stapleton*
Sen. James Rhoades
Sen. Jeannette Riebman
Helen Caffrey, Executive Director, Senate Education Committee

Governor's Office:
Donald Carroll, Jr., Secretary of Education*

Faculty Union:
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Appendix C

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